



CONTINUING A

86-Year Tradition of Above & Beyond

SERVICE, SAVINGS AND COMMUNITY SUPPORT.

The Annual meeting is being held electronically this year due to COVID19. The Annual Meeting will be held at 5:00 pm. Members are welcome to call into the meeting using the following instructions.

You can join our [Zoom Meeting](#)
Meeting ID: 817 3794 9732
Passcode: 642445



Our Member Promise!

WE PROMISE TO PROVIDE LOCAL
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- Work in your best interests
- Help you achieve financial success
- Make it easy to do business with us

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ANNUAL MEETING

86TH ANNUAL MEETING AGENDA

- CALL TO ORDER
- APPROVAL OF MINUTES
- NOMINATIONS COMMITTEE REPORT
- DIRECTOR'S REPORT & PRESIDENT/CEO'S REPORT
- SUPERVISORY COMMITTEE REPORT
- UNFINISHED BUSINESS
- NEW BUSINESS
- SCHOLARSHIPS
- BOARD OF DIRECTORS ELECTIONS
- ADJOURNMENT

FINANCIAL SUMMARY

Balance Sheet	2021		2020	
Assets				
Loans to Members	\$	94,117,938	\$	87,700,061
Loans Held for Sale (Secondary Market)				
Cash and Investments	\$	78,693,382	\$	66,537,691
Less Allowance for Loan Loss	\$	(1,174,387)	\$	(1,129,139)
All Other Assets	\$	9,906,097	\$	9,706,800
Total Assets	\$	181,543,030	\$	162,815,414
Liabilities & Capital				
Shares	\$	166,383,580	\$	147,224,807
Other Liabilities	\$	2,096,252	\$	3,491,973
Capital	\$	13,063,198	\$	12,098,633
Total Liabilities & Capital	\$	181,543,030	\$	162,815,414
Income Statement	2021		2020	
Income				
Interest from Loans	\$	4,901,586	\$	5,134,519
Interest form Investments	\$	526,326	\$	638,468
Other Income	\$	3,619,292	\$	2,997,542
Total Income	\$	9,047,204	\$	8,770,529
Expense				
Operating Expense	\$	7,409,504	\$	7,009,915
Non-Operating Expense	\$	14,113	\$	11,716
Provision for Loan Loss	\$	324,783	\$	367,794
Dividends	\$	337,920	\$	574,952
Total Expense	\$	8,086,320	\$	7,964,377
Net Income	\$	960,884	\$	806,152

MINUTES FROM OUR 85TH ANNUAL MEETING OF THE MEMBERS

July 21st, 2021

The annual meeting was called to order by Chair Mary Ann Duffey at 5:00 pm. The following directors were present in person: Jewel Redmon and Pam Schoenen, Catherine Lane and Dan Durgan. The following Directors were present via Zoom Meeting: Gary Tague, Larry Jones. The following Directors were absent: Dale Siegle.

Twenty-five members were present, enough to constitute a quorum.

Chair Duffey explained this is the second virtual Annual Meeting in the history of Sky Federal Credit Union.

Member Larry Jones made a motion to dispense with the reading of the minutes of the previous annual meeting held December 16, 2020, and to approve them as printed. Motion seconded and motion carried.

Chair Duffey referred members to the printed CEO/Board of Directors Report and Nominating Committee Report.

Member Pam Schoenen made a motion to accept the CEO/Board of Directors Report as presented. Motion seconded and motion carried.

Member Pam Schoenen made a motion to accept the Nominating Committee Report as presented. Motion seconded and motion carried.

Vice Chair Tague then gave the Nominating Committee Report, stating that Mary Ann Duffey and Catherine Lane were nominated for election to three-year terms. Biographical information on Mary Ann and Catherine was previously posted in the lobby, along with nominating procedures. The Secretary received no nominating petitions. Election conducted by ballot was not necessary, and there were no nominations from the floor. Vice Chair Tague called for a motion from the floor to elect these two candidates by acclamation. Member Pam Schoenen made a motion to elect the two candidates by acclamation. The motion was seconded and the motion carried.

Vice Chair Tague congratulated the newly elected Directors.

Chair Duffey introduced Kirk Keysor, a member of the Supervisory Committee, and asked members to refer to the Supervisory Committee report. Member Jewel Redmon made a motion to accept the Supervisory Committee Report as presented. Motion seconded and motion carried.

CEO DeYoung welcomed and introduced the Board of Directors (Director Siegle was absent) briefly explained the responsibilities of this body.

Next, CEO DeYoung highlighted accomplishments achieved in the Year 2020. Sky FCU ended December 2020 with assets totaling \$162,815,414 compared to \$123,939,743 for year-end 2019, for an increase in total assets of \$38,875,671. Sky FCU also ended 2020 with \$147,224,807 in member deposits compared to year-end 2019 of \$110,265,914 which is an increase of \$36,958,893 in member deposits.

Our net loan portfolio balance as of December 31, 2020, was \$87,700,061 compared to \$80,267,182 for year-end December, 2019, for an increase in net loans of +\$7,432,879. This is a 9.26% growth rate! Loan growth has started to increase throughout the country, we still maintain a very healthy loan-to-share ratio of 60 % as of year-end December, 2020, as compared to year end 2019 at 73%. This dramatic Loan-to-Share ratio drop is attributed to the massive increase in deposits in one year, mainly because of stimulus money. The national average of our peer group in the country which was at 64% compared to year-end 2019 at 75% and the average among Montana Credit Unions which was at 66% as of the end of 2020 compared to year-end 2019 at 73%

Sky FCU ended 2020 with a net worth or capital/asset ratio of 7.43 % compared to 8.69% at year-end 2019. This decrease is due to another huge increase in assets at year-end 2020. However this is still great growth and a very positive ratio according to our Federal Regulators, the NCUA.

Our delinquency at year-end 2020 was .45% compared to a year-end 2019 at 0.84%, these are both are excellent ratios and we increased our Allowance for Loan Loss Account again in 2020 as our loan portfolios continue to grow.

CEO DeYoung thanked the Board of Directors for all of their work and support.

She went on to thank the staff for all of their hard work and accomplishments.

CEO DeYoung reviewed 2020 with all its COVID-19 difficulties for management, staff and our members. During this difficult time Sky FCU has been there for our members especially those affected by the pandemic:

- Offering COVID-19 Relief Loans
- Offering COVID-19 skip-a-payments and forbearances
- Working with members on Live@Sky video banking
- Keeping branch lobbies open even when other financials lobbies were closed
- Following CDC guidelines to keep members and staff safe and healthy

Also during 2020 at Sky FCU:

- Our Walmart Bozeman Branch opened in August
- Continued CSAs (Credit Score Analysis)
- Continued WINcentive savings accounts
- Continued our Social Media presence
- Our Field of Membership Expansion that was started in 2019 is on track

Sky Federal Credit Union continues to grow and offer new products and services as we continue to meet our members' ever changing needs. We are constantly looking at new technology and processes to build better efficiencies so that we can offer our membership the services you need to grow and prosper in your daily lives, and to allow you more time and less stress in order to improve your financial future. We want to make things easier and more convenient for you, our members.

Chair Duffey asked for any unfinished business to come before the membership. There was no unfinished business to discuss and the meeting turned to new business.

CEO DeYoung announced the recipients of the 2021 Achievement Awards. The program included Park, Gallatin and Sweet Grass counties.

- **MARTHA V HAMPSON ACHIEVEMENT AWARD** – No Applicants
- **WALTER H MARTIN ACHIEVEMENT AWARD**
 - Brandon Mickelson
- **GALLATIN COUNTY SCHOLARSHIPS**
 - **Bozeman Branch**
 - Parker Summerhill
 - **Belgrade Branch**
 - Tyler Evan Gordon
 - Bailey Marie Weisz
 - Colter Daniel Barta
- **SWEETGRASS COUNTY SCHOLARSHIPS**
 - Payson Kent Morgan
 - Darby Johnston

CEO DeYoung and Chair Duffey asked the membership if there were any questions. There were no questions from the membership.

Chair Duffey stated an organizational meeting of the Directors would be held immediately following this meeting, in keeping with the bylaws.

There being no further business to come before this meeting, the Chair adjourned the meeting at 5:21 p.m.

Gretchen Meyer, Recording Secretary

Dale Siegle, Secretary

NOMINATIONS COMMITTEE REPORT

The Nominating Committee has nominated Larry Jones, Dale Siegle and Jewel Redmon to three-year terms on Sky Federal Credit Union's Board of Directors.

Biographical data on these three (3) individuals was prominently displayed in the Credit Union lobby locations.

The Secretary received no nominating petitions. Since there was only one nominee per opening, the election will not be conducted by ballot and there will be no nominations from the floor at the Annual Meeting, as prescribed by Credit Union bylaws.

NOMINATING COMMITTEE:

Gary Tague, Chairman
Pam Schoenen
Catherine Lane
Mary Ann Duffey

A MESSAGE FROM OUR PRESIDENT/CEO & BOARD CHAIRMAN

Welcome to our 86th Annual meeting of members. Unfortunately we have been unable to schedule an in-person Annual meeting again this year again due to COVID-19 and the OMICRON Variant Virus spreading throughout the country. 2021 was again an unprecedented year! And it looks like it continues into 2022! So for the safety of our staff and members, we are holding our third virtual Annual Meeting of Members.

Our Credit Union was chartered in December of 1935 and this past December 2021, we celebrated 86 years of service; savings; providing loans; and community support as a credit union! In December of 1935, when a handful of railroad employees pooled their money together in the Back Shops of the Northern Pacific Railroad in Livingston, Montana, who would have guessed then that we would grow over a span of 86 years to over \$181.5 million dollars in assets while serving more than 11,900 members!! We were one of the first Credit Unions chartered in Montana!!

The Board of Directors has the responsibility for directing and controlling the affairs of the credit union and providing effective and efficient management of the credit union's operations through your President/CEO and the executive management team and staff. We meet annually in conjunction with executive management and develop a strategic plan with both short term and long range goals. In addition, the Board of Directors and management meet at least monthly to monitor your Credit Union's direction, our strategic goals and the attainment of those goals. Board members volunteer many hours and are not reimbursed in any way for their service to the Credit Union. Once again, even with the COVID Pandemic, 2021 was a very active and busy year at your credit union.

Sky Federal Credit Union now serves 28 Counties in Montana, Southern Idaho and Northern Wyoming. As of December 31, 2021 we have 11,917 members located all around the world. This was an increase of 769 net new members in one year during 2021, a 6.90% growth rate!

We are not owned by an out of State Corporation or wealthy family. We are owned by our members – which is anyone who opens an account and does business with us. Sky FCU is a Montana Financial Cooperative, where consumers become our members that save together and pool their resources to provide loans that have built homes, financed cars – trucks – campers, or purchased equipment for businesses, farmers and ranchers. The members of Sky FCU have helped one another while helping themselves. And even if our member moves out of the area – they can keep their accounts open because “Once a Member, Always a Member”.

Sky FCU ended December 2021 with assets of \$181,543,030 compared to year-end December 2020 and assets of \$162,815,414, which is an increase in assets of +\$18,727,616, or a 11.50+% growth rate in one year!! Member deposits ended 2021 at \$166,383,580 compared to year-end 2020 at \$147,224,807, an increase of +\$19,158,773 or 13.01+% in deposit growth. Another outstanding year of growth!

Our net loan portfolio balance as of December 31, 2021 was \$94,117,938 compared to \$87,700,061 for year-end December 2020, or an increase in net loans of +\$6,417,877, a 7.32% growth rate!

Even in this economy, loan growth continues throughout the country. Sky FCU maintains a healthy loan-to-share ratio of 57% as of 12/31/2021 as compared to year-end 2020 at 60%. While you can see that the end of 2021 our Loan-to-Share ratio dropped again – it is attributed to the huge increase in deposits in one year – again mainly due to stimulus money and new members moving into our area and joining Sky FCU. The national average of our peer group in the country was at 60% as of 12/31/21 compared to year-end 2020 at 64%. And the average among Montana Credit Unions was at 61% as of 12/31/21 compared to year-end 2020 at 66%.

We continue to offer our membership the best mortgage rates for purchases of new homes, in addition to those doing refinances of their existing mortgages. We work through a Credit Union Service Organization (CUSO) to finance through the secondary market. As the Fed lowered rates, mortgage rates continued low for most of 2021. In 2022 the Federal Reserve starting raising rates on 3/16/22 with an increase of .25%; on 5/4/22 raised .50%; on 6/15/22 raised .75% – and they are predicting the next raise on 7/27/22 with a 1.00% increase. All of these increases to hopefully slow down inflation! Of course, mortgage rates have risen as well.

We ended 2021 with delinquency at .27% compared to year-end 2020 at .45%. These are both excellent results! We increased our Allowance for Loan Loss Account again during 2021 as our loan portfolios continue to grow.

We ended 2021 with a net worth Ratio (capital/asset ratio) of 7.20% compared to 7.43% at year-end 12/31/2020. This decrease is again due to another huge increase in assets at year-end 2021. While we grew members and new deposits, we also had huge deposit growth due to more stimulus payments from the Government and our increase in membership. However, this was great growth and a very positive ratio according to our Federal Regulators, the NCUA.

During 2021 we continued to focus on the work with our members to help with the struggles through the COVID PANDEMIC. We helped our members as they suffered through losing jobs as businesses had to close. Many had to stay home to take care of

their children as the schools closed and students had to figure out doing classes through virtual means. Everyone continued to struggle!

We continued working with our members on their loan payments, mortgage payments, and business loans. We helped our Business Members with the second round of the Paycheck Protection Program (PPP loans) through the SBA – so they could stay alive and viable. We originated seventy-six (76) SBA PPP loans totaling \$1.643+ million. These loans went directly to our small businesses, to help save jobs and help our local Communities. It was another challenging year!

Once we re-opened our lobbies on June 1, 2020, we stayed with our mask mandates and other safeguards in place to protect our staff and our members.

Sky Federal Credit Union continues to grow and offer new services and technology as we have to continue to change and grow with the times. We are constantly looking at new technology and processes to build better efficiencies so that we can offer our membership the services they need, to grow and prosper in their daily lives, and to allow more time and less stress in order to improve their financial future.

We have an established social media presence to connect with our members. In addition, we offer a monthly eNewsletter to our members to keep them informed. We have updated our mobile app to include mobile statements so you are never without your information.

We have had a Community Charter in Park, Gallatin and Sweet Grass Counties in Montana since 1998. In August of 2020, the National Credit Union Administration approved our Community Charter Expansion request.

We now serve anyone who lives, works or worships in the rural district of Beaverhead, Broadwater, Carbon, Cascade, Deer Lodge, Gallatin, Golden Valley, Granite, Jefferson, Lake, Lewis and Clark, Madison, Meagher, Mineral, Missoula, Park, Powell, Ravalli, Silver Bow, Stillwater, Sweet Grass, Wheatland or Yellowstone Counties, Montana, and Bonnerville, Fremont, Jefferson, or Madison Counties, Idaho, and Park County, Wyoming.

We opened our latest new Branch in a retail shopping space in the Bozeman Walmart in August of 2020 where we are open 6 days a week presently. It has been very successful and our members are very thankful for later hours during the week and being open on Saturday!

Sky Federal Credit Union is a full service financial institution. We serve residents throughout twenty-three (23) Counties in Montana; four (4) Counties in Southern Idaho; and one (1) County in Northern Wyoming. Anyone who lives, works or worships in any one of these counties is eligible to become a member as are the immediate families of anyone eligible to become a member even if they are not in these areas. We promote the philosophy of “once a member, always a member”. So once your membership is activated, you may remain a member for life. We now serve many members that live all over the world. With our technology, we can take care of your finances wherever you go.

At Sky FCU we want to partner with our members and work in their best interest. We need members who use our products and services. We need members that believe in the cooperative spirit. The more business you do with us, the more new products, services and technology we can give back to you. We encourage our members to focus on what's important to them. It is a win – win situation as we strengthen one another. And we have only gotten stronger over the past 86+ years!

We are pleased to have played an important role in managing our members' finances over the last 86+ years and want to remind you that we are here for you and your family.

We are grateful for the dedication, support, and guidance of our volunteer Board of Directors and Supervisory Committee and for all of the hard work and efforts of our staff. Staff continues to work towards providing the service that you deserve and expect as a member. Even through the COVID Pandemic and the periodic lobby shutdowns, we continued to serve our members through our drive-up locations, through our Live@Sky video technology, through eService i.e. remote deposit capture, ACH and direct deposit, ATMs, Debit and Credit Cards, on-line banking as well as mobile banking! We are here for YOU!!

As the President/CEO and the Board Chairman of Sky Federal Credit Union AND on behalf of the Sky Federal Credit Union Board of Directors, we want to “thank you” for your membership and continued support. We congratulate you for 86+ years as a credit union. By partnering together, we are a stronger and better credit union for you!

As we move forward through the next 86 years, we promise to work even harder to take our service “Above and Beyond” for you!

Please stay safe and healthy. Our best to you always.

Sincerely,

Annamarie DeYoung
President/CEO

Mary Ann Duffey
Board Chairman

SUPERVISORY COMMITTEE REPORT

December 31, 2021

The Supervisory Committee held virtual meetings during 2021. We reviewed the fiscal year-end 2020 audit completed by Anderson Zurmuehlen (AZ) by April 30, 2021. The contract with AZ was renewed through the year-end audit for December 31, 2021. There were no issues with reports reviewed and these reports were presented to the Board of Directors.

We are also in the process of reviewing the 2021 year-end audit completed by April 30, 2022 with Anderson Zurmuehlen. These reports will be presented to the Board of Directors upon completion of the review.

The Supervisory Committee engaged Bases Covered Auditing to complete the 2021 Automated Clearing House (ACH) Audit; the 2021 Bank Secrecy Act (BSA) Audit; the Safe Act Audit; and all four quarters of Agreed Upon Procedures Audits for 2021.

The Quarterly Agreed-Upon-Procedures Audits consists of loan reviews, verifying Corporate VISA Credit Card transactions, reviewing investments, General Ledger balancing, dormant accounts, conducting surprise teller cash counts, and more. We also review new accounts and closed accounts by sending out verifications to those members. After getting the audit findings back, we go over them with the auditor and then report the results to the Board of Directors.

We conducted a member account verification of all members as of March 31, 2021.

We are once again pleased to report the Credit Union is in sound financial condition with adequate internal controls.

We look forward to serving the membership and for continued financial growth during 2022 and beyond.

SUPERVISORY COMMITTEE:

Audrey Dodge, Chairperson
Kirk Keysor
Jacki McGuire

BOARD MEMBERS:

Mary Ann Duffey, Chairperson
Gary Tague, Vice Chairman
Dale Siegle, Secretary
Jewel Redmon, Director
Catherine Lane, Director
Larry Jones, Director
Pam Schoenen, Director
Daniel Durgan, Associate Director

Earn cash back on debit card purchases with free checking. Ask for Kasasa Cash Back® at Sky Federal Credit Union.



Sky Federal Credit Union

Posted by Ben Kuss

Jun 16 • 🌐

As this week unfolded and widespread flooding took place your local financial partner, Sky Federal Credit Union wants to help. If you were financially impacted by this or any natural disaster please contact Sky Federal Credit Union and ask about our Natural Disaster Loan Solutions.



JOIN OUR TEAM



**Full-Time
Positions Available**

Send resume and cover letter to:

skyhr@skyfcu.org

(406) 222-1750



Shodair
CHILDREN'S HOSPITAL



Sky Federal Credit Union

Posted by Ben Kuss

Jun 6 · 🌐

People helping people is a call to action for everyone to look around and see how we can help one another and build the kind of community in which we all want to live. At Sky Federal Credit Union our employees practice this at work and on their free time. Thank you to our Big Timber branch and volunteers for making a big difference this weekend during their annual highway cleanup on I-90!

