



CONTINUING A

# 87-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: 834 1282 2794  
Passcode: 565543



*Our Member Promise!*

WE PROMISE TO PROVIDE LOCAL  
FINANCIAL PRODUCTS, SERVICE AND ADVICE.

IN DOING SO WE WILL

- Work in your best interests
- Help you achieve financial success
- Make it easy to do business with us

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# ANNUAL MEETING

## 87TH 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	2022		2021	
Assets				
Loans to Members	\$	106,447,805	\$	94,117,938
Loans Held for Sale (Secondary Market)	\$	-	\$	(377,713)
Cash and Investments	\$	73,166,572	\$	78,693,382
Less Allowance for Loan Loss	\$	(1,250,501)	\$	(1,174,387)
All Other Assets	\$	10,768,063	\$	10,283,810
Total Assets	\$	189,131,939	\$	181,543,030
Liabilities & Capital				
Shares	\$	171,392,281	\$	166,383,580
Other Liabilities	\$	3,963,335	\$	2,096,252
Capital	\$	13,776,322	\$	13,063,198
Total Liabilities & Capital	\$	189,131,939	\$	181,543,030
Income Statement	2022		2021	
Income				
Interest from Loans	\$	5,319,701	\$	4,901,586
Interest from Investments	\$	662,797	\$	526,326
Other Income	\$	3,014,587	\$	3,619,292
Total Income	\$	8,997,085	\$	9,047,204
Expense				
Operating Expense	\$	7,794,977	\$	7,409,504
Non-Operating Expense	\$	5,035	\$	14,113
Provision for Loan Loss	\$	187,616	\$	324,783
Dividends	\$	298,272	\$	337,920
Total Expense	\$	8,285,899	\$	8,086,320
Net Income	\$	711,186	\$	960,884

## A MESSAGE FROM OUR PRESIDENT/CEO & BOARD CHAIRMAN

Welcome to our 87th 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 that continues to spread throughout the country. 2022 was again an unprecedented year! And it looks like it continues into 2023! So for the safety of our staff and members, we are holding our fourth virtual Annual Meeting of Members.

Our Credit Union was chartered in December of 1935 and this past December 2022, we celebrated 87 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 87 years to over \$189.132 million dollars in assets while serving more than 12,117 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, AND the Flood of June 2022, it 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, 2022 we have 12,117 members located all around the world. This was an increase of 200 net new members in one year during 2022, a 1.68% 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 2022 with assets of \$189,131,939 compared to year-end December 2021 and assets of \$181,543,030, which is an increase in assets of +\$7,588,909, or a 4.18+% growth rate in one year!! Member deposits ended 2022 at \$171,392,281 compared to year-end 2021 at \$166,383,580, an increase of +\$5,008,701 or 3.01+% in deposit growth. Another outstanding year of growth!

Our net loan portfolio balance as of December 31, 2022 was \$106,447,805 compared to \$94,117,938 for year-end December 2021, or an increase in net loans of +\$12,329,867, a 13.10% growth rate!

Even in this economy, loan growth continues throughout the country. Sky FCU maintains a healthy loan-to-share ratio of 62.11% as of 12/31/2022 as compared to year-end 2021 at 56.57%. You can see that the end of 2022 our Loan-to-Share ratio increased substantially year-over-year – even with the increase in deposits. The national average of our peer group in the country was at 66.85% as of 12/31/22 compared to year-end 2021 at 60%. And the average among Montana Credit Unions was at 71.23% as of 12/31/22 compared to year-end 2021 at 61%.

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.

Our first rate increase of 2022 was .25% which happened on March 16, 2022; the second rate increase was .50% on May 4, 2022; the third rate increase was .75% on June 15, 2022; the fourth rate increase was 0.75% on July 27, 2022; the fifth rate increase was .75% on September 21, 2022; .75% on November 2, 2022; .50% on December 14, 2022; .25% on January 25, 2023; .25% on March 22, 2023. The FED did not increase or decrease rates at their meeting on June 14, 2023.

All of these increases are intended to hopefully slow down inflation! But, of course, mortgage rates have risen as well. Mortgage rates continue to be up and down but in the 6.875% - 7.00% range, with the prediction of possibly one more FED rate increase to Prime on 7/26/2023.

We ended 2022 with delinquency at .17% compared to year-end 2021 at .27%. These are both excellent ratios! We increased our Allowance for Loan Loss Account again during 2022 as our [loan portfolios](#) continue to grow.

We ended 2022 with a net worth Ratio (capital/asset ratio) of 7.28% compared to 7.20% at year-end 12/31/2021. This is an increase, which is good, as we did continue to have an increase in assets at year-end 2022. This was great growth and a very positive ratio according to our Federal Regulators, the NCUA.

During 2022 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 opened later for in-person students, however, there was an option for students to continue doing classes through virtual means. Everyone continued to struggle! We still have COVID cases through 2023!

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 continue to stay alive and viable. These loans went directly to our small businesses, to help save jobs and help our local Communities. It was another challenging year!

Our lobbies stayed open with our mask mandates and other safeguards in place to protect our staff and our members into 2022.

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.

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.

*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 Bonnevill, Fremont, Jefferson, or Madison Counties, Idaho, and Park County, Wyoming.*

Our members continue to comment that they are very happy with our latest new Branch in a retail shopping space in the Bozeman Walmart where we are open 6 days a week presently. It has been very successful and our members continue to be very thankful for later hours during the week and being open on Saturday as well!

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.

We continue a social media presence to connect with our members. In addition, we offer a monthly eNewsletter to our members to keep them informed. We continue to update our mobile app so you are never without your information.

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 87+ years!

We are pleased to have played an important role in managing our members' finances 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.

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 87+ 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 87 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.

*Please join us for our 87<sup>th</sup> Annual Meeting of Members, Wednesday, July 19, 2023 at 5 pm via the following ZOOM Link:*

Topic: ANNUAL MEETING 7.19.2023 5 pm

Time: Jul 19, 2023 05:00 PM Mountain Time (US and Canada)

Join Zoom Meeting

<https://us06web.zoom.us/j/83412822794?pwd=QnJ2cG1ML3dFRFBiWE9zVWpRN1A0Zz09>

Meeting ID: 834 1282 2794

Passcode: 565543

Sincerely,

Annamarie DeYoung  
President/CEO

Mary Ann Duffey  
Board Chairman

# MINUTES FROM OUR 86<sup>TH</sup> ANNUAL MEETING OF THE MEMBERS

July 20th, 2022

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

Thirty-four members were present, enough to constitute a quorum.

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

Member Heather Hasbrook made a motion to dispense with the reading of the minutes of the previous annual meeting held July 21, 2021 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 Larry Jones made a motion to accept the CEO/Board of Directors Report as presented. Motion seconded and motion carried.

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

Chair Mary Ann Duffey then gave the Nominating Committee Report, stating that Dale Siegle, Jewel Redmon and Larry Jones were nominated for election to three-year terms. Biographical information on Dale, Jewel and Larry 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. Chair Duffey called for a motion from the floor to elect these three candidates by acclamation. Member Pam Schoenen made a motion to elect the three candidates by acclamation. The motion was seconded and the motion carried.

Chair Duffey congratulated the newly elected Directors.

Chair Duffey introduced Audrey Dodge, the Chair of the Supervisory Committee, and asked members to refer to the Supervisory Committee report. Member Pam Schoenen 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 and Jewel Redmon were absent) and briefly explained the responsibilities of this body.

Next, CEO DeYoung highlighted accomplishments achieved in the Year 2021. Sky FCU ended December 2021 with assets totaling \$181,543,030 compared to \$162,815,414 for year-end 2020, for an increase in total assets of \$18,727,616. Sky FCU also ended 2021 with \$166,383,580 in member deposits compared to year-end 2020 of \$147,224,807 which is an increase of \$19,158,773 in member deposits.

Our net loan portfolio balance as of December 31, 2021, was \$94,117,938 compared to \$87,700,061 for year-end December, 2020, for an increase in net loans of +\$6,417,877. This is a 7.32% growth rate! Loan growth has started to increase throughout the country, we still maintain a very healthy loan-to-share ratio of 57 % as of year-end December 2021, as compared to year end 2020 at 60%. This Loan-to-Share ratio drop is again 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 60% compared to year-end 2020 at 64% and the average among Montana Credit Unions which was at 61% as of the end of 2021 compared to year-end 2020 at 66%

Sky FCU ended 2021 with a net worth or capital/asset ratio of 7.20 % compared to 7.43% at year-end 2020. This decrease is also again due to another huge increase in assets at year-end 2021. However this is still great growth and a very positive ratio according to our Federal Regulators, the NCUA.

Our delinquency at year-end 2021 was .27% compared to a year-end 2020 at 0.45%, these are both very excellent ratios. We also increased our Allowance for Loan Loss Account again in 2021 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 2021 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
- Keeping branch lobbies open even when other financials lobbies were closed
- Following CDC guidelines to keep members and staff safe and healthy

Also during 2021 at Sky FCU:

- Our Walmart Bozeman Branch continued to be open longer hours during the week and on Saturday
- Continued CSAs (Credit Score Analysis)
- Continued WINcentive savings accounts
- Continued our Social Media presence
- Our Field of Membership Expansion continues on track as we work with many members remotely and through electronic means

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 2022 Achievement Awards. The program included Park, Gallatin and Sweet Grass counties.

- **MARTHA V HAMPSON ACHIEVEMENT AWARD** – Libby Kinsey
- **WALTER H MARTIN ACHIEVEMENT AWARD** - Gabriel Holmes
- **GALLATIN COUNTY SCHOLARSHIPS**
  - **Bozeman Branch**
    - Reese Covington
    - Kaya Layne Calder
  - **Belgrade Branch**
    - MacKenzie Ann Turner
    - Erica Rene Berger
    - Hailey LaVerne Prester
- **SWEETGRASS COUNTY SCHOLARSHIPS**
  - Connor Marshall Giesecke
  - Cara Lorenzini

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 5:25 p.m.

Annamarie DeYoung, Recording Secretary

Dale Siegle, Secretary

## NOMINATIONS COMMITTEE REPORT

The Nominating Committee has nominated Gary Tague and Pam Schoenen to three-year terms on Sky Federal Credit Union's Board of Directors.

Biographical data on these two (2) 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:

**Dale Siegle, Chairman**

**Larry Jones**

**Catherine Lane**

**Mary Ann Duffey**

**Jewel Redmon**



## SUPERVISORY COMMITTEE REPORT

July 19, 2023

The Supervisory Committee held virtual meetings during 2022. We reviewed the fiscal year-end 2021 audit completed by Anderson Zurmuehlen (AZ) by April 30, 2022. The contract with AZ was renewed through the year-end audit for December 31, 2022. 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 2022 year-end audit completed by April 30, 2023 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 2022 Automated Clearing House (ACH) Audit; the 2022 Bank Secrecy Act (BSA) Audit; the Safe Act Audit; and all four quarters of Agreed Upon Procedures Audits for 2022.

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, 2022.

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 2023 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

## JOIN OUR TEAM



### Full-Time Positions Available

Send resume and cover letter to:  
[skyhr@skyfcu.org](mailto:skyhr@skyfcu.org)  
(406) 222-1750

 Sky Federal Credit Union  
Posted by Sena Thomas Estes  
Jul 6 · 🌐



**Financial Freedom!**

mailchi.mp  
This July, Celebrate Financial Freedom!



### CERTIFICATE SPECIALS

5.00% APY\* for 3 months