

## **Notice of Special Meeting of the Members of Champaign County School Employees' Credit Union**



The Board of Directors of your credit union approved a proposition to merge with Illinois Educators Credit Union and have called a special meeting of the members of this credit union at CCSECU, 1203 S. Mattis Ave., Champaign, IL 61821 on July 28, 2022 at 6:00 pm.

### **Purpose of the Meeting:**

1. To consider and act upon a proposal to merge our credit union into Illinois Educators Credit Union, (hereinafter referred to as the “Continuing Credit Union”), whereby all assets and liabilities of Champaign County School Employees’ Credit Union will be merged with and into the Continuing Credit Union. All members of Champaign County School Employees’ Credit Union will become members of the Continuing Credit Union and will be entitled to and will receive shares in the Continuing Credit Union for the shares they own in Champaign County School Employees’ Credit Union on the effective date of the merger.
2. To ratify, confirm and approve the action of the Board of Directors in authorizing the officers of Champaign County School Employees’ Credit Union, subject to approval of members, to carry out and execute all agreements, documents, and other information necessary to carry out the proposed merger.

The merger must have the approval of a majority of members of the credit union who vote on the proposal.

The Board of Directors of Champaign County School Employees’ Credit Union encourages you to attend the meeting concerning the proposed merger. Illinois permits voting on merger proposals only at the meeting or by proxy. All members have a proxy on file at the credit union, to vote in FAVOR of the merger, you may attend and vote in person at the meeting or, do nothing and the Board of Directors will vote in favor of the merger in your stead.

To vote AGAINST the merger, you must either attend in person and vote at the meeting or designate another member who is attending the meeting as your proxy. Because you have a proxy on file with the credit union, in order to vote NO, you must revoke that proxy by giving written notice to the board secretary, Mary Anderson at [contact.ccsecu@gmail.com](mailto:contact.ccsecu@gmail.com) or at 1203 S. Mattis Ave., Champaign, IL 61821. Then assign a new proxy to an attending member.

If you wish to submit comments about the merger to share with other members, you submit them to the National Credit Union Administration (NCUA) at:

<https://www.ncua.gov/support-services/credit-union-resources-expansion/credit-union-merger-resources/comments-proposed-credit-union-mergers>

Or: Office of Credit Union Resources and Expansion (CURE), NCUA, 1775 Duke Street Alexandria, VA 22314. The NCUA will post comments received from members on its website, along with the members name, subject to the limitations and requirements of its regulations.

### **Other Information Related to the Proposed Merger**

The Board of Directors has carefully evaluated and analyzed the assets and liabilities of the credit unions and the value of shares in both credit unions. The financial statements of both credit unions, as well as the projected combined financial statement of the continuing credit union are included at the end of this document. In addition, the following information applies to the proposed merger:

***Reasons for merger:*** The Board of Directors has concluded that the proposed merger is desirable and in the best interest of members. We have been unable to find a replacement upon the passing of our long time CEO, Penny Sergent. Without a leader, CCSECU has struggled to maintain profitability, keep up with new regulations and compliance needs. At our asset size, it is difficult to provide products and services our members deserve. We believe our merger partner is a well-run credit union whose focus on serving Educators aligns with our mission. They offer additional loan products and have the ability to scale and innovate, as a result of this merger CCSECU members will enjoy additional benefits.

***Share adjustment or distribution:*** Champaign County School Employees' Credit Union will not distribute a portion of its net worth to its members. The board has determined a share adjustment is unnecessary as CCSECU's has net worth less than the anticipated combined net worth.

***Locations of merging and continuing credit union:*** The Champaign County School Employees' Credit Union's main office at 1203 S. Mattis Ave., Champaign, IL 61821 will remain open. Illinois Educators Credit Union is located at 3101 Montvale Dr., Springfield, IL 62704 and can be used by all CCSECU members.

***Net Worth:*** The net worth of a merging credit union at the time of merger transfers to the continuing credit union. Champaign County School Employees' Credit Union holds \$1,281,697 of equity, representing a net worth of 7.71%. This is lower than Illinois Educators Credit Unions net worth of \$8,041,051 or 9.73%.

***Effective date of merger:*** The proposed effective date of this merger shall be August 1, 2022 or such earlier or subsequent date as approved by the Parties, Directors, Division of Financial Institution, State of Illinois, or the National Credit Union Administration or any successor agency thereto.

***Employee Representation:*** Current employees of Champaign County School Employees' Credit Union will become employees of Illinois Educators Credit Union.

**Merger-related financial arrangements:** NCUA Regulations require merging credit unions to disclose certain increases in compensation that any of the merging credit union's officials or the five most highly compensated employees have received or will receive in connection with the merger: Melissa Benison, Loan Officer and 20-year employee of Champaign County School Employees' Credit Union has been offered a 5% increase in pay. No other financial arrangements have been made for Champaign County School Employees' Credit Union staff or staff of Illinois Educators Credit Union.

Please note that the proposed merger must be approved by the majority of the members who vote. If you cannot attend the meeting, please follow the directions for proxy voting on the first page of this notice.

**BY ORDER OF THE BOARD OF DIRECTORS**

\_\_\_\_\_  
Sandy Davin  
Board Chair

\_\_\_\_\_  
Date

**COMBINED STATEMENT OF FINANCIAL CONDITION  
March 31, 2022**

<b>BALANCE SHEET</b>	<b>Illinois Educators</b>	<b>CCSECU</b>	<b>Consolidated</b>
Loans	\$61,131,477	\$4,503,553	\$65,635,030
Cash and Receivables	\$2,049,426	\$3,595,604	\$5,645,030
Investments	\$16,064,534	\$7,578,374	\$23,642,908
Other Assets	\$3,428,733	\$935,955	\$4,364,688
<b>Total Assets:</b>	<b>\$82,674,170</b>	<b>\$16,613,486</b>	<b>\$99,287,656</b>
Payables & Accruals	\$2,937,721	\$60,737	\$2,998,458
Total Member Savings	\$71,695,399	\$15,271,052	\$86,966,451
Total Equity	\$8,041,050	\$1,281,697	\$9,322,747
<b>Total Liabilities &amp; Equity</b>	<b>\$82,674,170</b>	<b>\$16,613,486</b>	<b>\$99,287,656</b>
<b>INCOME STATEMENT</b>			
Loan Income	\$580,585	\$75,238	\$655,823
Investment Income	\$54,780	\$6,975	\$61,755
Misc. Income	\$275,406	\$28,770	\$304,176
Total Income:	\$910,771	\$110,983	\$1,021,754
Operating Expenses	\$657,718	\$114,831	\$772,550
Dividend Expense	\$30,250	\$1,547	\$31,797
Provision for Loan Loss	\$0	\$9,050	\$9,050
Total Expenses:	\$687,968	\$125,428	\$813,396
<b>Net Income:</b>	<b>\$222,803</b>	<b>\$-14,445</b>	<b>\$208,358</b>

