

## AGENDA

### STOCKHOLDERS MEETING - JANUARY 18, 2017

- |  |   |
|--|---|
| 1. Elect Meeting Chairman And Secretary  | 7. Old Business                                     |
| 2. Secretary: Report Of Quorum           | 8. Election Of Directors To Serve For The Year 2017 |
| 3. Update Of Stockholders                | 9. Other Business                                   |
| 4. Minutes Of Last Stockholder's Meeting | 10. Recognition Of Employees                        |
| 5. Financial Report For 2016             | 11. Adjournment                                     |
| 6. Management Report                     |   |

## STAFF

### HENNEPIN

Linda Bopes	Teller
Jessica Brouwer	Teller
Deb Doyle	Information Systems Manager
Amy Fay	Loan Processor
Diana Gibson	Teller - Part Time
Kate Gibson	General Ledger Accountant/Internal Auditor
Haley Guisti	Assistant Vice President/Compliance/Loan Officer
Mary Jane Gunderson	Bookkeeping
Brenda Haynes	IT Support/Bookkeeping
Rick Jameson	Vice President/CCO/Loan Officer
Todd McKey	Cashier/Ag Loan Officer/CFO
Nita O'Neill	Teller Supervisor
Becki Trainor	Teller - Part Time
Dave Ward	President

### LADD

Amy Golightly	New Accounts/Marketing Assistant
Amanda Helm	Office Support - Part Time
Tricia Jones	Teller/Bookkeeping
Rebecca Kubly	Teller/Bookkeeping
Zac Lehn	Loan Officer
Kim McKee	Vice-President/Branch Manager/COO
Shelli Merkel	Teller/Bookkeeping
Lori Ramey	Loan Processor
Clarissa Salinas	Loan Processor
Deb Schultz	Assistant Vice President/Loan Officer/Assistant Branch Manager
Tiesha Taylor-Junius	Teller/Investment Services Support
Aubrie Wall	Teller Supervisor
Lou Wasilewski	Financial Advisor
Elizabeth Zemanek	Bookkeeping - Part Time

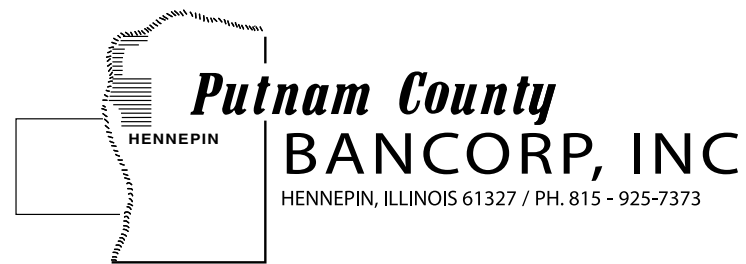
## BOARD

### BOARD OF DIRECTORS

Ryan Anderson • Glen Brandner • Terry Judd • Ryan Linnig • Harold Read • Eric Swartz • Bill Urnikis - Chairman • Dave Ward

### LADD ADVISORY BOARD

Glen Brandner • Brandy Cattani • Will Linker • Jim Manning • Kathy Martin • Kim McKee • Gene Merkel • Deb Schultz



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# ANNUAL REPORT



## CONSOLIDATED BALANCE SHEET *December 31, 2016*

ASSETS	BANK	HOLDING COMPANY	ELIMINATIONS	CONSOLIDATED 2016	CONSOLIDATED 2015
Cash and due from banks	\$ 2,691,574	\$ 477,233	\$ (477,233)	\$ 2,691,574	\$ 3,929,705
Investment securities	56,330,825	16,125,396	(16,125,396)	56,330,825	50,243,365
Loans, less allowance for loan losses	64,812,159	-	-	64,812,159	70,397,220
Premises and equipment	637,309	-	-	637,309	693,579
Other assets	3,662,093	189	(189)	3,662,093	3,814,110
<b>Total assets</b>	<b>\$ 128,133,960</b>	<b>\$ 16,602,818</b>	<b>\$ (16,602,818)</b>	<b>\$ 128,133,960</b>	<b>\$ 129,077,979</b>
LIABILITIES					
Total Deposits	\$ 105,683,294	\$ -	\$ (477,233)	\$ 105,206,061	\$ 105,229,309
Other Liabilities	6,325,270	460,620	(189)	6,785,701	7,247,133
<b>Total Liabilities</b>	<b>\$ 112,008,564</b>	<b>\$ 460,620</b>	<b>\$ (477,422)</b>	<b>\$ 111,991,762</b>	<b>\$ 112,476,442</b>
STOCKHOLDERS' EQUITY					
Common stock	\$ 790,000	\$ 383,850	\$ (790,000)	\$ 383,850	\$ 385,325
Additional paid-in capital	7,502,310	3,024,020	(7,502,310)	3,024,020	3,087,489
Retained earnings	8,600,436	13,501,678	(8,600,436)	13,501,678	12,936,452
Net unrealized gain (loss) on afs securities	(767,350)	(767,350)	767,350	(767,350)	192,271
<b>Total stockholders' equity</b>	<b>16,125,396</b>	<b>16,142,198</b>	<b>(16,125,396)</b>	<b>16,142,198</b>	<b>16,601,537</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 128,133,960</b>	<b>\$ 16,602,818</b>	<b>\$ (16,602,818)</b>	<b>\$ 128,133,960</b>	<b>\$ 129,077,979</b>
Number of shares outstanding at year-end				15,354	15,413
Total book value per share, adjusted for unrealized gain (loss)				\$ 1,101.31	\$ 1,064.64
Total book value per share				\$ 1,051.34	\$ 1,077.11

## CONSOLIDATED INCOME STATEMENT *Year ended December 31, 2016*

INTEREST AND DIVIDEND INCOME	BANK	HOLDING COMPANY	ELIMINATIONS	CONSOLIDATED 2016	CONSOLIDATED 2015
Interest on loans	\$ 3,325,426	\$ -	\$ -	\$ 3,325,426	\$ 3,514,592
Interest and dividends on investment securities	927,895	-	-	927,895	850,196
Other interest and dividend income	19,941	-	-	19,941	19,938
<b>Total interest and dividend income</b>	<b>\$ 4,273,262</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,273,262</b>	<b>\$ 4,384,726</b>
INTEREST EXPENSE:					
Interest on deposits	\$ 380,439	\$ -	\$ -	\$ 380,439	\$ 439,723
Interest, other	93,945	-	-	93,945	97,035
<b>Total interest expense</b>	<b>474,384</b>	<b>-</b>	<b>-</b>	<b>474,384</b>	<b>536,758</b>
<b>Net interest income</b>	<b>3,798,878</b>	<b>-</b>	<b>-</b>	<b>3,798,878</b>	<b>3,847,968</b>
Provision for loan losses	0	-	-	0	129,931
<b>Net interest income after provision for loan losses</b>	<b>\$ 3,798,878</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,798,878</b>	<b>\$ 3,718,037</b>
OTHER INCOME:					
Service charges	\$ 328,776	\$ -	\$ -	\$ 328,776	\$ 307,832
Other operating income	420,392	-	-	420,392	1,164,602
<b>Total other income</b>	<b>\$ 749,168</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 749,168</b>	<b>\$ 1,472,434</b>
OTHER EXPENSES:					
Salaries and employee benefits	\$ 1,698,022	\$ -	\$ -	\$ 1,698,022	\$ 1,655,986
Professional services	35,343	-	-	35,343	41,427
Advertising	69,868	-	-	69,868	90,537
Other operating expense	1,162,586	12,549	0	1,175,135	1,627,002
<b>Total other expenses</b>	<b>2,965,819</b>	<b>12,549</b>	<b>0</b>	<b>2,978,368</b>	<b>3,414,952</b>
Income from operations	1,582,227	(12,549)	0	1,569,678	1,775,519
Equity in income of subsidiary	0	1,560,628	(1,560,628)	0	0
<b>Income before income taxes</b>	<b>1,582,227</b>	<b>1,548,079</b>	<b>(1,560,628)</b>	<b>1,569,678</b>	<b>1,775,519</b>
Income tax expense (benefit)	21,599	(188)	0	21,411	12,320
<b>Net income</b>	<b>\$ 1,560,628</b>	<b>\$ 1,548,267</b>	<b>\$ (1,560,628)</b>	<b>\$ 1,548,267</b>	<b>\$ 1,763,199</b>

