

2019 | Annual Report



82nd Annual Meeting | March 19, 2020
Lunda Theater | Black River Falls, WI

AGENDA

Entertainment by G-E-T High School Jazz Band

- I. Determination of a Quorum
- II. Introduction of Directors and Officers
- III. Approval of 81st Annual Meeting Minutes
- IV. Election
- V. Report of the Chairman
- VI. Report of the Treasurer
 - a. Report of the Financial Condition
 - b. Report of the Income Statement
- VII. Report of the President/CEO
- VIII. Report of the Loan Officers
- IX. Report of Audits and Exams
- X. Old Business
- XI. New Business

Prize Drawings Refreshments in Commons



AUDIT REPORT

The following is a letter provided by CliftonLarsonAllen LLP:

June 24, 2019

Dear Members,

We performed an opinion audit engagement of Co-op Credit Union's statement of financial condition as of March 31, 2019, and the related statements of income, comprehensive income, changes in members' equity, and cash flows for the year ended March 31, 2019, and the related notes to the financial statements. The audit report dated June 24, 2019 was presented to the Board of Directors. Findings noted as a result of the audit performed were described in a separate communication to the Board of Directors.

As part of the audit, we performed a member account verification utilizing statistical sampling. We are not aware of any errors in reported share and loan balances as a result of our testing. We thank you for taking the time to review your Credit Union statements and for responding to us when applicable.

This communication is restricted to the use of the Board of Directors.

Sincerely,
Tanya Medgaarden, CPA
Principal

MINUTES OF THE 81st ANNUAL MEETING

The 81st Annual Meeting of Co-op Credit Union (CCU) was held on March 21, 2019. There were 425 members and guests in attendance.

Secretary, David Overlien, certified that a quorum was present.

Members of the Board of Directors, Officers, and Legal Advisor were introduced.

Minutes of the 80th Annual Meeting were approved as printed.

Two seats on the Board of Directors were up for election. Two candidates were placed into nomination by the nominating committee – David Olson (incumbent) and Tim Byom (incumbent). David Olson (incumbent) and Tim Byom (incumbent) were re-elected to serve three-year terms.

Chairman, Tim Torkelson, thanked all for attending the meeting and covered a few highlights from handouts provided by the Wisconsin Credit Union League, including how our state's credit unions fuel the economy and the list of in-school branches, including Tiger Credit Union, which CCU has proudly operated since 2015. The role of the Directors is to ensure the ongoing positive direction and growth of the credit union. Our structure as a member-owned cooperative is the foundation that ensures this financial stability and strength. Reports were also given for our involvement in our communities. Tim shared that there have been many changes over CCU's more than 80 years of service, but being guided by our roots and principles is something that will not change. Tim thanked the board and employees for their continued enthusiasm, dedication and support.

Vice President Accounting, Megan Ellingson, reported that the credit union has grown from \$977 at year-end 1938 to \$338 million at year-end 2018. In 2018, we welcomed 1,725 new members, bringing total membership to nearly 20,250 members. We also grew \$17 million in total assets, \$13 million in loans, and \$15 million in shares. We were able to return \$2.6 million back to our members in the form of monthly and quarterly dividends and ended 2018 with net income of \$2.1 million. Megan also highlighted enhancements to our checking and savings products, including additional tiers, higher rates, and the addition of Super Share Certificates.

The Statement of Financial Condition and Statement of Income were approved as printed.

President/CEO, Eric Chrisinger, acknowledged and thanked the employees, Board of Directors, and Advisory Board for their dedication, along with the membership for their continued support. In 2018, CCU marked 80 years – our ongoing efforts, initiatives, and goals seek to answer the question, "Where will the next 80 years take us?" Our work to improve and support our communities also comes in the form of fostering financial wellness, which we prioritize by offering free financial education sessions, having Certified Credit Union Financial Counselors, and our in-school branch. One of the

ways we live out our mission is by our commitment to youth. In 2018, CCU launched the Kids CAFÉ, a stamp card program that introduces youth to saving and other ways credit unions are different than other financial institutions. Eric thanked our members for being loyal and for their business.

Executive Vice President Lending, Tim Tranberg, gave the Report of Loan Officers. Tim shared continued growth in personal and real estate loans drove overall loan growth of about 4.50% in 2018. We granted 300 loans under \$1,000 in 2018, which is an increase of loans of this kind from the previous year, illustrating continued commitment to being a resource no matter life's circumstances. CCU joined credit unions across the country to show support and offer assistance to the federal workers during the government shutdown, highlighting the credit union philosophy of "people helping people." Tim shared the introduction of an escrow savings account option, which allows members to easily save for real estate taxes and homeowner's insurance by including it all in one easy payment. This year we also will begin the servicing of fixed-rate mortgages directly through CCU. Convenience continues to be top of mind as we look to the future and how we will best serve you in an ever-changing and increasingly electronic world. He thanked the membership for their continued trust and our employees who keep members at the forefront of their efforts and decision-making.

The Director's Report of Audits and Examinations was presented by Secretary, David Overlien. He reported that CliftonLarsonAllen LLP, certified public accountants, performed an Opinion Audit for CCU in 2018, based on the March 31, 2018 balance sheet. We will be engaging CliftonLarsonAllen LLP to perform a Full Opinion Audit based on our March 31, 2019 financials. The National Credit Union Administration and the State Office of Credit Unions, a division of the Wisconsin Department of Financial Institutions, held a joint examination of the credit union in August 2018, as of the June 30, 2018 balance sheet.

There was no old business or new business to be brought before the meeting.

Tiger Credit Union staff members: Jason Breining, Stacy Brown, Nevada Hanson, Cassidy Boerger, and Madysen McCormick presented on the initiatives and impact of CCU's in-school branch at Black River Falls High School. Tiger Credit Union is a source for youth to develop strong financial management skills. Our student MSRs focus on teaching their peers about money management and finances and how to begin strong saving habits early in their lives. They help coordinate other educational and career presentations at the school. The membership viewed one "Money Minute" video, which is a weekly financial advice broadcast in the school's video announcements.

David Overlien, Secretary

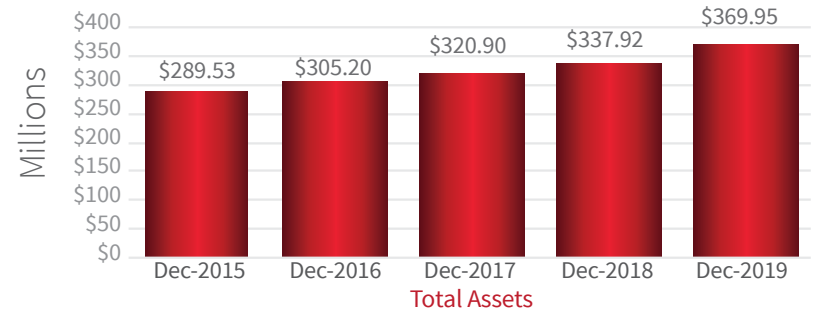
STATEMENT OF FINANCIAL CONDITION

		12/31/2019	12/31/2018
ASSETS			
Cash on Hand	\$	5,049,804	\$ 8,123,839
Investments		32,908,697	7,123,859
Loans:			
Personal	\$	62,130,805	\$ 63,354,559
Real Estate		205,652,301	200,426,026
Farm		11,770,827	10,706,445
Business		29,053,289	26,464,702
Total Loans	\$	308,607,222	\$ 300,951,732
Reserve for Loan Loss		(2,407,593)	(2,598,302)
Premises & Equipment			
Net of Depreciation	\$	8,491,769	\$ 8,531,228
Other Assets		17,296,244	15,791,509
Total Assets	\$	369,946,143	\$ 337,923,865
LIABILITIES & RESERVES			
Share Deposits:			
Share Savings	\$	108,876,819	\$ 107,714,466
Share Draft		58,363,671	53,863,740
Money Market		22,382,652	16,476,276
Individual Retirement Accounts		33,572,790	32,189,230
Share Certificates		91,225,711	77,279,353
Total Share Deposits	\$	314,421,643	\$ 287,523,065
Other Liabilities	\$	11,488,013	\$ 8,482,635
Reserves		44,036,487	41,918,165
Total Liabilities & Reserves	\$	369,946,143	\$ 337,923,865

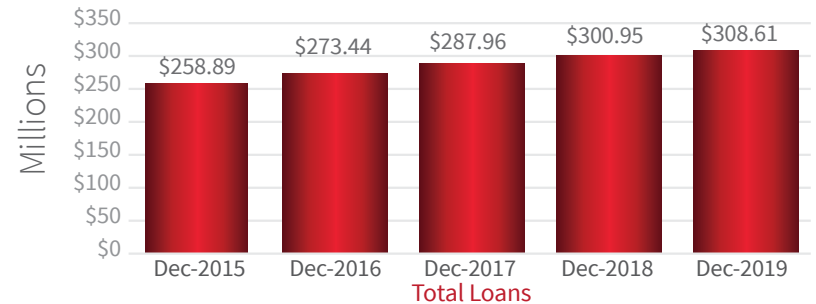
STATEMENT OF INCOME

		YEAR ENDED 12/31/2019	YEAR ENDED 12/31/2018
Loan Interest Income	\$	13,410,280	\$ 12,402,067
Investment Income		445,251	106,371
Miscellaneous Income		2,704,289	3,031,232
Gross Income	\$	16,559,820	\$ 15,539,670
Operating Expense	\$	10,766,077	\$ 10,833,698
Share Insurance Expense		—	—
Total Operating Expenses	\$	10,766,077	\$ 10,833,698
Income from Operations	\$	5,793,743	\$ 4,705,972
Non-Operating Gains (Losses)		(47,671)	53,322
Income before Dividends		5,746,072	4,759,294
Dividends		3,629,907	2,610,003
Net Income (Transferred to Reserves)	\$	2,116,165	\$ 2,149,291

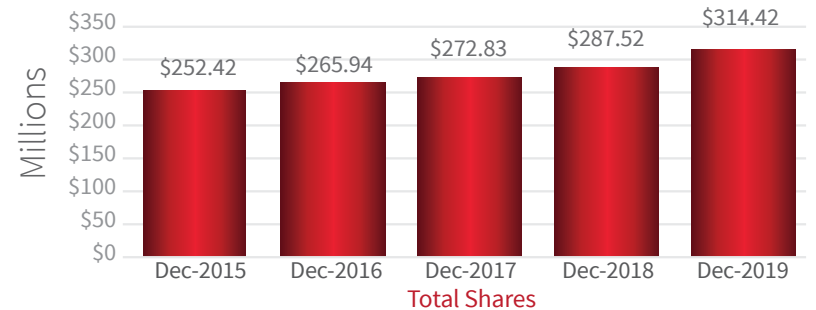
TOTAL ASSETS



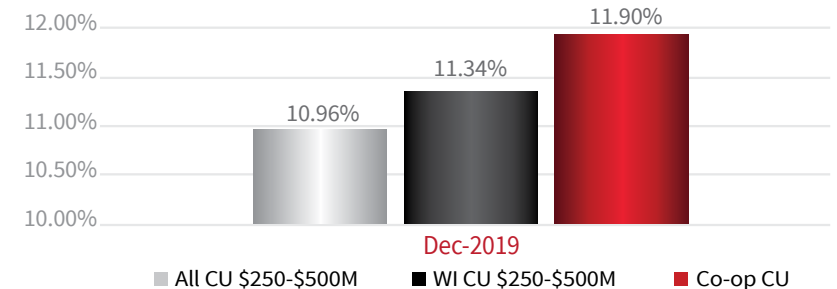
TOTAL LOANS



TOTAL SHARES



CAPITAL RATIO (SAFETY & SOUNDNESS)



NCUA defines well-capitalized as 7% or greater capital ratio.

CCU HIGHLIGHTS AT A GLANCE

	2019	2018
Total Membership	20,360	20,246
Number of New Members	1,154	1,725
Borrowers at December 31 st	12,639	12,575
Total Loans Granted	\$ 116,800,263	\$ 116,137,508
Total Loans Since Established	\$ 2,101,397,276	\$ 1,984,597,013
Charge Off Loans During Year	\$ 332,896	\$ 422,254
Charge Off Loans Since Established	\$ 5,421,620	\$ 5,088,724
Number of eStatement Users	5,830	5,348
Number of Active CCU Online Users	9,604	8,612
Number of Active CCU Mobile Users	4,334	3,513
Number of CCU Talk Calls	42,334	45,547
Number of Member Contact Center Calls	146,999	144,802

CCU SERVICES

Shares

Share Savings
Dividend Checking
Free Checking
Reward Checking
Debit-Only Checking
Super Share Savings
GoalSetter Savings
Money Market
Custodial Accounts
Individual Retirement Accounts
Certificates
Super Share Certificates
Health Savings Accounts
Youth Saver Certificates
Christmas Club
Tax Savings Accounts
Funeral Trusts
Escrow Share Savings

Loans

Vehicle
Watercraft, Camper & RV
Cycle, Snowmobile, ATV
Kwik Cash Line of Credit
Signature
Fixed Rate Mortgage
Variable Rate Mortgage
Construction
Home Equity
Home Equity Line of Credit
Manufactured Homes
Recreational or Vacant Land
Agriculture and Business
Youth Fair Project
Mastercard®
Share-Secured
Debt Protection
GAP Protection
Mechanical Breakdown Protection

Other Services

Direct Deposit
Payroll Deduction
CCU Online
CCU Mobile
CCU Pay
CCU Talk
Mobile Deposit
eStatements
Debit-ATM Cards
Money Orders
Travel Money Cards
Photocopies
FAX
Wire Transfers
ACH Origination
Notary Public
Auto-Pay Loan Payments/
Deposits/Transfers
Website
Gift Cards
Safe Deposit Boxes

CCU LOCATIONS

- Black River Falls – Main Office
- Black River Falls – Highway A Drive-Up
- Tiger Credit Union – Black River Falls High School
- Fall Creek
- Galesville
- Melrose
- Onalaska
- Strum

2020 CCU BOARD CANDIDATES

Three candidates have been nominated to run for the three seats up for re-election on the Co-op Credit Union Board of Directors. Each is a three-year term.

Tim Torkelson, incumbent, of rural Black River Falls, has served on the board since 2009 and currently serves as chairman. He graduated from the University of Minnesota-Crookston with degrees in sales/marketing and small business management. He was the national sales manager for a veterinary software company for 14 years before starting his own animal health and nutrition business in 2004. In 2009, the Torkelsons founded Positive Impressions, a marketing and supply company for veterinarians. Tim and his wife, Sherri, reside near Disco, near the Torkelson family farm. They have two grown children, Brittany and Tyler, and one grandchild. In his spare time, Tim enjoys family, friends and the outdoors.



Tim Torkelson

David Overlien, incumbent, has served on the Board of Directors since 1990. He currently serves as secretary and is a member of the Asset-Liability Committee. He also has served on the Credit and Supervisory committees. Overlien, a lifelong resident of Black River Falls, graduated from UW-Eau Claire with a bachelor's of business administration degree with a major in accounting. Overlien, a CPA, retired in 2010. He is married to wife Mary and has a daughter, two sons and five grandchildren.



David Overlien

Steve Hogden, incumbent, of rural Galesville, served on CCU's Advisory Board for two-and-a-half years, was appointed to the Board of Directors in 2013 and currently serves as treasurer. He retired from West Central Insurance Services of Whitehall as an agency representative in 2015 and occasionally returns to the office to help as need requires. Hogden was a field supervisor for Friday Canning Corp. of Galesville for 25 years. He served as a town board supervisor for the Town of Caledonia and as a commissioner of the Southern Trempealeau County Solid Waste Commission for 30 years and served as chairman of the Trempealeau County Unit of the Wisconsin Towns Association. He continues to represent Trempealeau County on the La Crosse County Solid Waste Policy Board and as secretary of the Trempealeau-Caledonia Fire Board. He has previously held leadership positions with several other cooperatives and associations. He is a lifelong member and past president of French Creek Lutheran Church, rural Ettrick. He enjoys the outdoors in his spare time, including hunting, fishing and working on the farm that he and his wife, Linda, have owned and operated for more than 45 years.



Steve Hogden

CCU'S COMMUNITY IMPACT

Co-op Credit Union lives out the cooperative principle of "Concern for Community" through volunteerism, partnerships, relationship-building, donations, sponsorships and more. It's the heart of the cooperative spirit and the credit union philosophy of "People Helping People." CCU believes when our members and communities are supported and thriving that everyone benefits.



BY THE NUMBERS

5,000

Number of dollars donated by CCU employees to community groups through payroll deduction and other fundraisers.

Employees contribute \$2 per payroll cycle for the opportunity to wear jeans every Friday. These "dress down" donations are then distributed to community organizations throughout CCU's membership region that align with not only employees' passions and interests but the credit union's as well. Employees also contributed their own funds through several "Lunch-In" fundraisers held throughout 2019.

4,000

The number of volunteer hours CCU employees donated on work and personal time to area communities and organizations.

Employees give their time to many organizations, clubs, groups, teams and non-profits they care about. CCU employees are community-minded at work and in their home lives.



1,000

Number of hours CCU dedicated to free financial wellness sessions, advice and initiatives.

CCU employees assist members and non-members with one-on-one financial counseling and the credit union hosts free community events on a variety of financial topics. In addition, CCU operates an in-school branch, Tiger Credit Union, at Black River Falls High School. Student Member Service Representatives who staff the branch serve as financial resources for their peers, providing relevant advice on money-related topics. The credit union hosts several "Reality Days" at area high schools to provide students glimpses of financial life after high school.

2019 COMMUNITY SERVICE DAY



Co-op Credit Union employees spent half of their annual All-Staff Training Day volunteering throughout Western Wisconsin in October. All staff members participated in the community service effort, which impacted people and organizations throughout Black River Falls, Fall Creek, Galesville, Melrose, Merrillan, Onalaska and Strum.

"Cooperative principles call for having concern for community, and this day was one way for us to make a direct impact in all the communities we serve," said CCU President/CEO Eric Chrisinger.

The service-focused day included nearly 300 total CCU volunteer hours and impacted more than 30 individual households, charities and organizations throughout CCU's membership region.



BOARD OF DIRECTORS



Tim Torkelson
Chairman



Chuck Torgerson
Vice Chairman



Steve Hogden
Treasurer



David Overlien
Secretary



Sarah Lebakken
Director



Dave Olson
Director



Tim Byom
Director

CCU ADVISORY BOARD AND AMBASSADOR

- Mary Bjorgo – Advisory
- Jill Collins – Advisory
- Chanelle Holliday – Advisory
- Tim Kunes – Advisory
- Dan McGarvey – Advisory
- Tom Merfeld – Advisory
- Max J. Michaelson, Jr. – Ambassador

CO-OP CREDIT UNION STAFF

STAFF HIGHLIGHTS

Number of Employees

99

Number of New Employees

14

Employee Length of Service

Up to 10 Years: 64

10 to 19 Years: 16

20 or More Years: 19

Retirements

3



OUR MISSION STATEMENT

Serving our members, where they are, through all stages of life.

OUR VISION STATEMENT

Serving people in such an extraordinary way that we are the financial institution of choice and the employer of choice in our communities.

OUR CORE VALUES

- **Commitment**- We believe in the Cooperative Principles and “People Helping People.”
- **Flexibility**- We adapt as needed for change, growth, and balance.
- **Friendliness**- We are approachable, respectful, and genuine. We believe that nice matters!
- **Fairness**- We make all decisions in the best interest of the member ownership to protect their financial strength.
- **Integrity**- We do what we say we will. We are trustworthy because we are honest.
- **Consistency**- We are consistent in our service and processes from location to location. No surprises.
- **Confidentiality**- We keep all personal and business matters confidential. No exceptions.
- **Exceptional Service**- We anticipate the needs of others and exceed their expectations. We go above and beyond.

800.258.0023
www.coopcu.com

