



# 2016

## ANNUAL REPORT

# AGENDA

1. Call to Order
2. Determination of a Quorum
3. Introductions
4. Approve the Minutes of the Last Annual Meeting
5. Reports:
  - President and Chairman of the Board
  - Treasurer's Report/Statement of Condition
  - Supervisory Audit Report
6. Election of Director(s)
7. Old Business
8. New Business
9. Adjournment
10. Award Prizes

# BOARD OF DIRECTORS

Lyle Mader  
*Chairman*

Kurt Carpenter  
*Vice Chairman*

Jeffrey Gehrke  
*Treasurer*

Barb Hartfiel  
*Secretary*

Andrew Fenwick  
*Director*

Keith Fischer  
*Director*

Mike Brandt  
*Director*

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# THE GREEN TEAM

Mike Brandt  
*President/CEO*

Kathy Jankowski  
*Vice President - Operations*

Jeff Nichols  
*Vice President - Lending*

Brenda Prince  
*Member Service Representative Supervisor*

Emily Charles  
*Accountant*

Lisa Krause  
*Loan Officer*

Nancy Kuchenbecker  
*Loan Officer/Mortgage Specialist*

Eileen Roberts  
*Loan Processor*

Tyler Smarzinski  
*Member Service Representative*

Shawna Stielow  
*Member Service Representative*

Heidi Taylor  
*Member Service Representative*

Felicia Toland  
*Member Service Representative*

Maggie Veach  
*Member Service Representative*

# CREDIT UNION HOURS

## DATE

## LOBBY

## DRIVE THRU

Monday-Wednesday .....	8:30 a.m.-5 p.m. ....	7 a.m.-6 p.m.
Thursday .....	8:30 a.m.-6 p.m. ....	7 a.m.-6 p.m.
Friday .....	8:30 a.m.-6 p.m. ....	6:30 a.m.-6 p.m.
Saturday .....	8 a.m.-12 p.m. ....	8 a.m.-12 p.m.

# MINUTES OF THE ANNUAL MEETING

March 26, 2016

Chairman Lyle Mader called the Annual Meeting to order on March 26, 2016 at 12:30 p.m. at the Evergreen Credit Union office in Neenah, Wisconsin.

Acting Secretary Keith Fischer informed Chairman Mader that 20 members eligible to vote were present, which constituted a quorum. Chairman Mader turned the meeting over to President/CEO Mike Brandt. He introduced the board of directors and officers. Directors present were Lyle Mader, Jeffrey Gehrke, Kurt Carpenter, Keith Fischer, and Mike Brandt. Andy Fenwick and Barb Hartfiel were excused. He then went on to introduce the credit union team members that were present.

The minutes of the previous year's annual meeting were read. There were no questions, comments, or revisions. The minutes were approved as read.

The following reports were printed in the annual meeting booklet:

- President/CEO and Chairman's Report
- Treasurer's Report
- Supervisory Audit Report from Schenck, S.C.
- Sustainability Report

Mike Brandt discussed the President/CEO and Chairman's Report and the Sustainability Report. He started by explaining the new environmental focus of the credit union. He pointed out the solar array has an annual net zero impact on the credit union's income statement and it has an estimated break even point of 13.5 years. He also discussed the credit union's zero waste and carbon neutral achievements, along with many other various certifications and awards. He then went on to say 2015 was another very strong year for the credit union financially. We achieved another record level of income and loans continued to grow. He also pointed out only two other credit unions in the Fox Valley exceeded our performance in Return on Assets. CEO Brandt then spoke about the construction of the new Community First Credit Union headquarters across the street. He explained more than 85% of our members already live within five miles of a CFCU branch and if they wanted to move their accounts, they could have done so at any time in the past. He anticipates the impact of the new CFCU branch to be on the new memberships generated from people moving to the area. Those will most likely gravitate towards CFCU, due to its ability to dominate all local advertising channels. However, he pointed out ECU is working with a marketing firm from Oshkosh. This partnership will include advertising on the radio, select cable television stations, and online to attract new members that are interested in doing business with an environmentally responsible financial institution. He then asked the members present if there were any questions. Marilyn Anunson asked how many members the credit union had currently. Mike explained we ended 2015 with 3,263 members and that was a very small drop from the previous year. However, he added the credit union had already added more new members in the first two months of 2016 than we dropped in 2015. Several members had questions regarding the solar array. For example: How does snow affect the output of the array? Mike explained that the panels do not produce power when covered with snow, but if even just a few panels are clear, the array is able to generate at least small amounts of power. Other questions included the lifespan of the panels (Answer: More than 25 years) and what happens when the roof needs to be replaced (Answer: It will be time to replace the panels with more efficient panels). CEO Brandt then asked the members to review the Treasurer's Report. There were no questions raised. The report was filed for audit.

Chairman Mader asked for a motion to approve the Supervisory Committee Examination report. A motion was made and seconded from the floor. The motion carried.

# MINUTES OF THE ANNUAL MEETING CONTINUED

## OLD BUSINESS:

There was no old business brought to the floor.

## NEW BUSINESS:

There was no new business brought to the floor. However, Marlene Noren commended the staff on all of their volunteer efforts through the year, including cleaning the railings and lights at Shattuck Park and Island Shores Trail.

A motion was then made and seconded from the floor to adjourn the meeting at 12:55 p.m. The motion carried. A drawing was then held for door prizes.

Respectfully submitted,

Barbara Hartfiel  
*Secretary*

Lyle Mader  
*Chairman of the Board*



*We had another successful year partnering with Fox Valley Humane Association for monthly adoption events at the credit union.*

# PRESIDENT/CEO AND CHAIRMAN REPORT

“WHEN WE TRY *to pick out anything by itself, we find it hitched to everything else in the universe.*”

- JOHN MUIR

Last year I began my report with a quote from Wisconsin native Aldo Leopold that encouraged business leaders to consider the environmental impacts of their companies. This year I chose a quote from another great environmentalist that grew up in Wisconsin, John Muir. I chose this quote because it succinctly explains how I view the concept of the triple bottom line at the credit union.

The phrase “triple bottom line” was first coined by John Elkington in 1994. He argued that a company should prepare three bottom lines: a traditional profit and loss statement, another for the company’s “people account” (social responsibility), and one for a company’s “planet account” (environmental responsibility). Since all credit unions are founded on the principle of People Helping People, we have always made the connection between social responsibility and fiscal responsibility. However, in 2014 we decided to take the next logical step at the credit union by adding environmental responsibility to our core mission. I firmly believe being a good corporate citizen means we have a responsibility to not only improve our members’ lives financially, but also to improve the communities and the environment in which they live and work.

Our environmental improvement plan identifies the following target areas: Energy Self-Sufficiency, Carbon Neutral Operations, Water Conservation, Zero Waste Operations, and Employee & Member Education and Engagement.

The credit union accomplished many of our goals in 2016.

- Achieved an astonishing 98% waste diversion rate; maintaining our zero-waste status.
- Met and exceeded our goal of Carbon Neutral Operations. The credit union now offsets more carbon than we produce through regular operations.
- We donated enough money to plant an additional 2,000 trees in 2016. We have now donated enough to plant more than 7,000 trees since 2014.
- Produced more than 60% of our own electricity through our rooftop solar array.
- Saved approximately 9,000 gallons of water in 2016 alone.

I am proud to say that just two years into our mission, we are the most environmentally responsible credit union in the state of Wisconsin and probably the Midwest. You can find more details on these and our other accomplishments in the Sustainability Report included in this Annual Report.

The partnership with our marketing firm, Candeo Creative, was very successful in 2016. Even though we didn’t accomplish as much of the rebranding as we had hoped, we still saw significant results. Their creative and consistent messaging had a direct impact on our membership growth. In 2016, we had a 2.4% increase in membership. Those results were dramatically different than 2015 (prior to Candeo Creative’s involvement) when we saw membership decline for the first time since moving to the West American Drive location. It is also significantly higher than the national average growth rate for credit unions in our peer group.

# PRESIDENT/CEO AND CHAIRMAN REPORT CONTINUED

Financially, 2016 was another great year for the credit union with net income totaling \$311,378. Assets grew about 2% for the year, but more importantly, loans to members increased by over \$2.7 million. That set a new record for the credit union. Overall, ECU maintains our status as one of the healthiest credit unions under \$100 million in assets in the state of Wisconsin. You can find more details regarding the financial condition of the credit union in the Treasurer's Report and the Statement of Condition/Statement of Income included in this Annual Report.

Finally, I would like to thank the credit union's fantastic team of employees and our great volunteer board of directors. I am regularly asked by CEOs of other credit unions how we are able to be as successful as we are in the most competitive credit union market in the state. My reply is always the same: I have a great team of employees and a forward-thinking board. They are the reason we continue to grow and innovate while other credit unions stagnate. I am grateful to be part of such a great team.

Respectfully submitted,

Michael Brandt  
*President/CEO*

Lyle Mader  
*Chairman of the Board*



*The Green Team spent the afternoon removing invasive buckthorn plants at Bubolz Nature Preserve on our annual team training day.*

# TREASURER'S REPORT - 2016

## KEY FINANCIAL BENCHMARKS:

	2016	2015	Increase/Decrease
Assets	\$34,401,289	\$33,652,911	+ 2.2%
Loans	\$27,751,872	\$25,025,651	+ 10.9%
Member Shares (Deposits)	\$29,873,049	\$29,422,348	+ 1.5%
Profit/Loss	\$311,378	\$330,775	- \$19,397

2016 was another good performance year for our credit union. All key financial areas were strong as our operating philosophy, policies and processes, and strong management team continued to work well handling the variety of issues and market conditions we encountered.

## KEY FINANCIAL MEASURES FOR 2016:

All key areas tracked in the normal-to-excellent range for the year.

- **Net PROFIT of \$311,378** – 2016 was another strong profit year for ECU, down just \$19,400 from last year's record profit. The strong performance reflected increased income in all categories, but was offset by increased expenses.
- **Return on Assets (ROA) of .91%** – A great performance. This places our credit union as one of the top performers in the area.
- **Net Worth of 12.5%** – We maintained a strong reserve ratio as we balanced healthy asset growth with good income levels.
- **Total assets up 2.2%** – Growth of \$0.75 million as gains in loans to members offset a drop in investments.
- **Loans to members increased 10.9%** – Total loans grew by over \$2.7 million. Loan-to-share ratio increased to 92.9%. This ratio is excellent for a credit union our size.
- **Loan Delinquency of 1.02%** – Strong loan growth in 2016 resulted in some additional risk. However, this ratio still falls squarely in the normal range.
- **Member shares up 1.5%** – Our members continued to house their funds in safety with us, but at a lower rate than prior years.
- **Membership up 78 or 2.4%** – ECU was able to attain growth in membership again in 2016. We ended the year with 3,341 members, compared to 3,263 the year end before.

Your board of directors and management team see challenges ahead of us in 2017 due to the usual economic uncertainties, a challenging interest rate environment, and competitive pressures. We are tackling these issues head-on, and we are confident we will be successful fulfilling our mission to serve you. We look forward to growing and serving the needs of our members in 2017 because we are "Naturally, A Better Financial!"

Respectfully submitted,

Jeffrey Gehrke  
Treasurer

# STATEMENT OF CONDITION

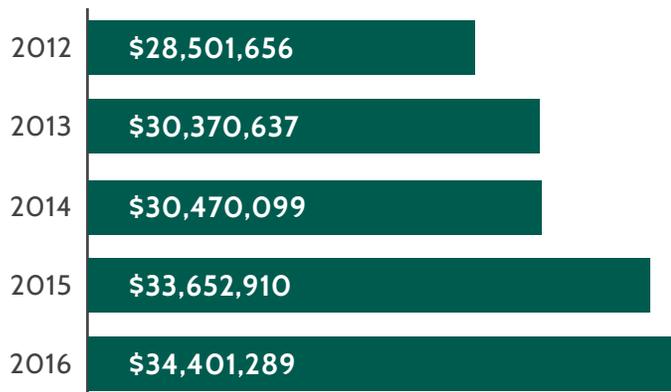
## ASSETS

	2016	2015
Cash	\$158,008	\$252,338
Investments	\$4,947,554	\$6,007,111
Personal Loans	\$12,580,427	\$11,697,242
Mortgage Loans	\$15,171,445	\$13,328,409
Loans Held for Sale	\$324,121	\$1,079,525
Allowance for Loan Losses	\$(139,248)	\$(126,446)
Building and Land*	\$1,193,301	\$1,228,617
Furniture and Equipment*	\$53,396	\$65,348
Other Assets	\$117,483	\$120,767
<b>Total Assets</b>	<b>\$34,401,289</b>	<b>\$33,652,910</b>

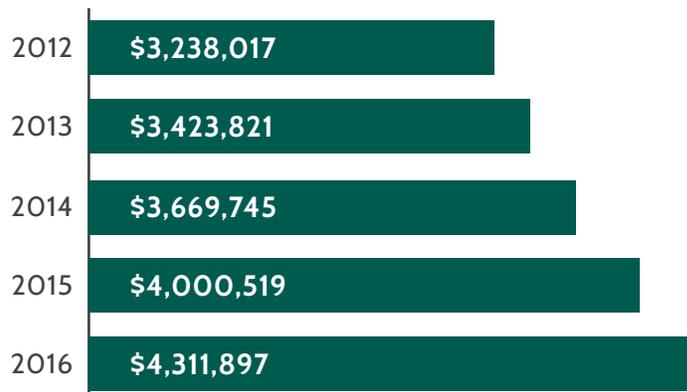
## LIABILITIES AND RESERVES

	2016	2015
Regular Savings Accounts	\$11,333,753	\$10,679,534
Checking Accounts	\$4,977,262	\$4,385,312
Money Manager Savings	\$8,215,599	\$8,583,002
Certificates of Deposit	\$4,021,874	\$4,452,419
IRA Accounts	\$1,324,561	\$1,322,080
Other Liabilities	\$216,343	\$230,043
<b>Total Liabilities</b>	<b>\$30,089,392</b>	<b>\$29,652,391</b>
Regular Reserves	\$1,957,888	\$1,957,888
Other Reserves	\$2,354,009	\$2,042,631
<b>Total Reserves</b>	<b>\$4,311,897</b>	<b>\$4,000,519</b>
<b>Total Liabilities &amp; Reserves</b>	<b>\$34,401,289</b>	<b>\$33,652,910</b>

### ASSETS



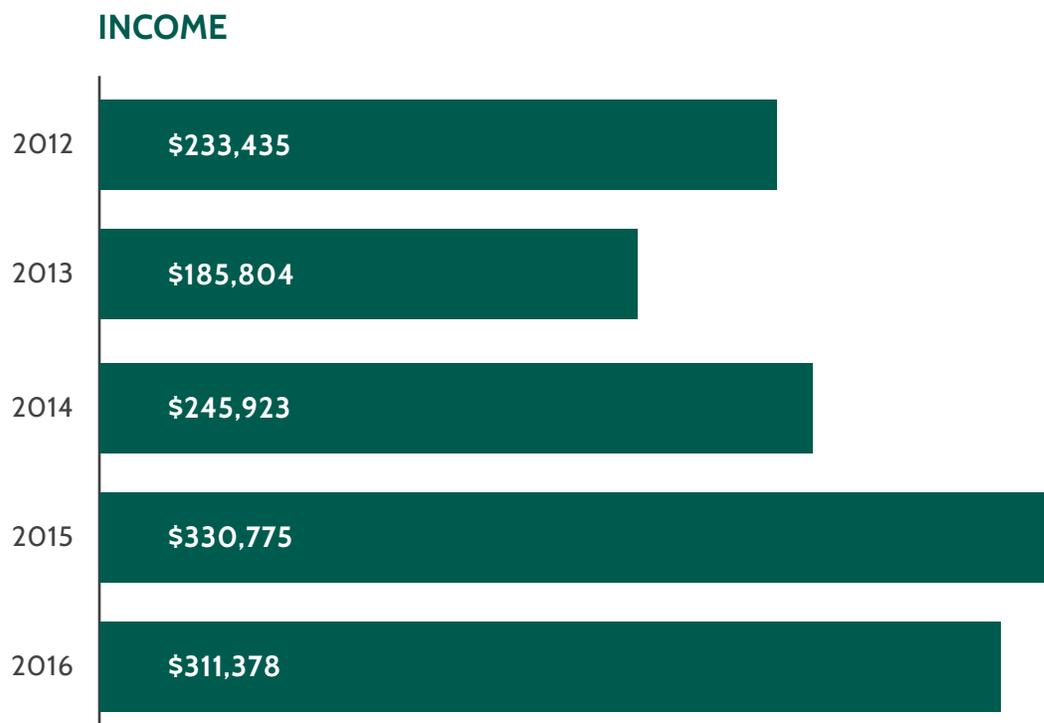
### RESERVES



\* Net after accrued depreciation

# STATEMENT OF INCOME

<b>INCOME</b>	<b>2016</b>	<b>2015</b>
Interest from Loans	\$1,259,574	\$1,193,636
Investments	\$78,846	\$60,447
Other Income	\$393,961	\$360,633
<b>Total Income</b>	<b>\$1,732,382</b>	<b>\$1,614,716</b>
<b>EXPENSES</b>	<b>2016</b>	<b>2015</b>
Salaries and Benefits	\$730,409	\$657,349
Building Costs	\$81,726	\$86,097
Office Operations	\$287,292	\$327,362
Provision for Loan Losses	\$27,616	\$(8,800)
Other Expenses	\$204,209	\$133,922
<b>Total Operating Expenses</b>	<b>\$1,331,252</b>	<b>\$1,195,930</b>
Income Before Dividends	\$401,129	\$418,786
Non-Operating Income/Loss	-	-
Dividends Paid to Members	\$(89,751)	\$(88,011)
<b>Net Income</b>	<b>\$311,378</b>	<b>\$330,775</b>



# SUPERVISORY AUDIT REPORT



To the Board of Directors and Members  
Evergreen Credit Union

Part 715 of the NCUA Rules and Regulations require a credit union to obtain a supervisory committee examination. We have performed certain agreed-upon procedures, which were agreed to by management and the Board of Directors of Evergreen Credit Union, solely to assist you in performing your supervisory committee examination as of June 30, 2016. The following is a listing of areas to which certain agreed-upon procedures were performed:

- Internal controls for: Teller Controls, Dormant Accounts, Share File Maintenance, and Wire Transfers.
- General Ledger.
- Bank Reconciliations.
- Teller Summary Sheets.
- Loans (Reconciliation, Approval and Processing, Loan File Maintenance, Delinquencies, and Accrued Interest Receivable).
- Allowance for Loan Losses.
- Regular Reserve, Undivided Earnings and Reserves for Contingencies.
- Investments.
- Share Accounts (Reconciliation, Overdrafts, Accrued Interest Payable).
- Other Assets/Liabilities.
- Board Minutes.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on Evergreen Credit Union's financial statements or specified elements, accounts or items thereof. Accordingly, we do not express such an opinion. Also, we express no opinion on the effectiveness of Evergreen Credit Union's internal control structure over financial reporting or any part thereof. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. For purposes of this report, management has agreed that our judgment was relied upon to determine if any finding were immaterial and, accordingly, have not been included in the summary of procedures performed and finding.

A complete copy of the Limited Examination Report, including procedures performed, results of testing, and recommendations is on file with the Board of Directors.

SCHENCK SC

A handwritten signature in black ink that reads "Schlenck SC". The signature is written in a cursive, slightly stylized font.

Certified Public Accountants  
August 19, 2016

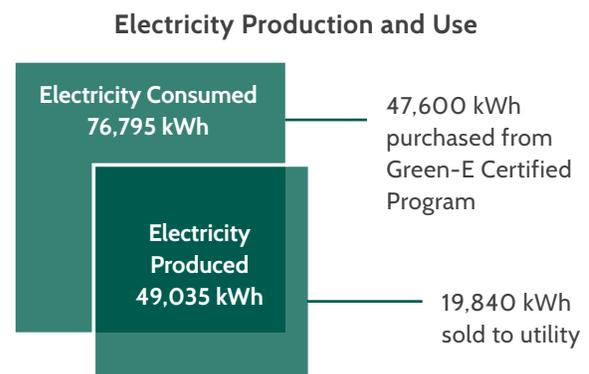
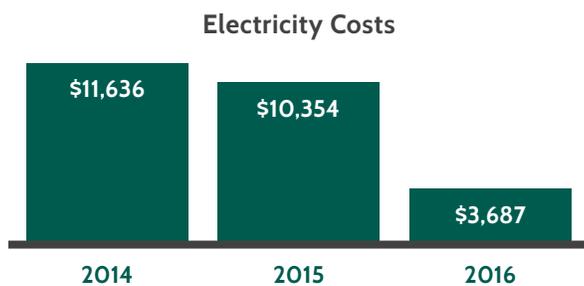
# 2016 SUSTAINABILITY REPORT

ECU continues to reach and exceed our sustainability goals. This report highlights key results for 2016 in our five environmental focus areas: energy self-sufficiency, carbon neutrality, water conservation, zero waste, employee and member education and engagement.

## ENERGY SELF-SUFFICIENCY

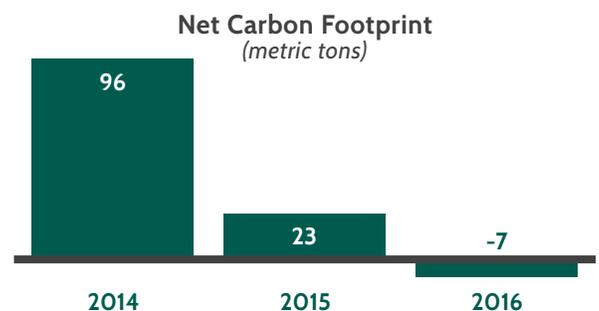
ECU's key strategy for energy self-sufficiency was on-site renewable energy generation. In 2016, our solar array produced more electricity than what we purchased from the utility. As a result, we saved more than 60% on electricity costs compared to 2015, and 70% compared to 2014.

Additionally, ECU has made a commitment to continuous efficiency improvement. In 2016 we participated in our second EPA Energy Star Battle of the Buildings. ECU maintained EPA Energy Star Certified Building status; Energy Star certified buildings use at least 35% less energy overall than non-certified buildings. Our current Energy Star score of 100 (on a scale of 1-100) places ECU at the top of Energy Star rated office buildings nationwide.



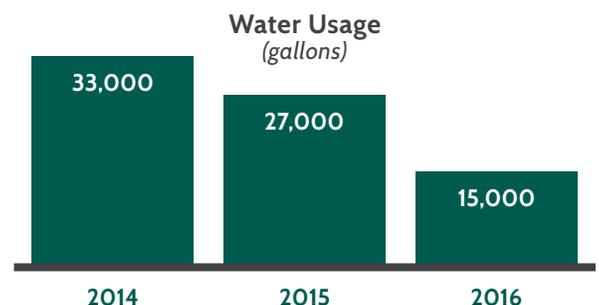
## CARBON NEUTRAL

ECU took steps to minimize the credit union's carbon footprint and in 2016 ECU was carbon negative, meaning that we reduced and offset more carbon than we produced through our operations. We did that by producing the majority of our own electricity with our solar array and purchasing the balance from 100% renewable sources. We also partnered with the Arbor Day Foundation to have a tree planted for each new member and each new loan granted. We have donated enough money to plant more than 7,000 trees since 2014.



## WATER CONSERVATION

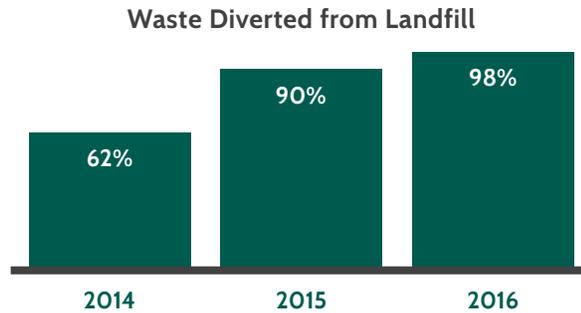
In 2016 ECU won first place in the EPA's Battle of the Buildings for water conservation in the Bank Branch category. In just one year we reduced our water consumption by 12,000 gallons and a total of 18,000 gallons since the start of our mission in 2014. A large part of those savings came from upgrading our bathroom fixtures in 2015. We also saved water by choosing replacement plants for our landscaping that do not require large amounts of water and then watering those plants with as much captured rainwater as possible.



# 2016 SUSTAINABILITY REPORT CONTINUED

## ZERO WASTE

We maintained our zero waste status based on the Environmental Protection Agency's definition of keeping at least 90% of generated waste material out of the landfill. In 2016 we recycled or composted an astounding 98% of our waste.



## EMPLOYEE DEVELOPMENT

In 2016 ECU implemented a voluntary sustainability and environmental education program for our team. Employees explored topics and activities related to our focus areas to earn rewards. We are happy to report that 100% of ECU employees participated. These educational experiences help our employees feel confident when sharing information about ECU's mission with our members and the public.

## MEMBER AND COMMUNITY ENGAGEMENT

You likely saw the bucket garden in the parking lot over the summer months. Employees took turns caring for the plants. The garden provided fresh, local produce to the St. Joe's Food Program.

More than that, ECU sponsored and participated with several community events across our membership area. Here are a few of the 2016 events:

- Best Friends Neenah Menasha Gourmet Bike Tour
- Fox Cities Greenways Top Fox 5K Run/Walk and 8 mile Bike Ride
- Fox Wolf Watershed Alliance Earth Day Cleanup
- Habitat for Humanity Rock the Block—Jefferson Park Neighborhood
- Live Green! Expo.
- Village of Fox Crossing Parks and Recreation Filthy Fun Kids Run and other programming
- The Trex Community Challenge with Jack's Maintenance and the Village of Fox Crossing

## RECOGNITION

ECU's commitment to environmental responsibility was recognized in 2016.

- We achieved Green Professional status in the WI Green Masters Program
- We were named Partner of the Year by Fox Cities Greenways
- Our President/CEO was awarded the Small Business Sustainable Leadership Award from the Wisconsin Sustainable Business Council
- We were a finalist in the Wisconsin Force for Positive Change Awards

Thank you for choosing us for your financial needs. Just by banking with us you are supporting a healthier environment for yourself and for our community.



*Evergreen attended the Midwest Renewable Energy Fair in Custer, Wisconsin.*



*Our staff participated in the Grow a Row for St. Joe's food pantry program.*



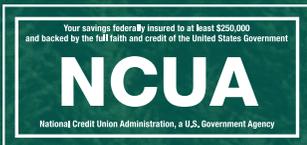
*We were a sponsor of the Top Fox 5k Run/Walk and Bike Ride, a Fox Cities Greenways event.*



We sponsor and support many **VILLAGE OF FOX CROSSING** events,  
including the Filthy Fun Kids Run and Trick or Treat Trail Walk.



**NEENAH ANIMAL SHELTER** was one of the nonprofits ECU and our members  
helped this past holiday season through our Giving Tree program, which raised money to  
purchase supplies needed.



(920) 729-2999

[EvergreenCU.com](http://EvergreenCU.com)

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