



Evergreen
CREDIT UNION
NATURALLY, A BETTER FINANCIAL



2017

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

THE GREEN TEAM (STAFF)

Mike Brandt
President/CEO

Kathy Jankowski
Vice President – Operations

Jeff Nichols
Vice President – Lending

Brenda Prince
MSR Supervisor

Roni Kasperek
Sustainability Manager

Joan Ziegler
Accountant

Lisa Krause
Loan Officer

Nancy Kuchenbecker
Loan Officer/Mortgage Specialist

Eileen Roberts
Loan Processor

Dehlia Engel
Member Service Representative

Maggie Hubert
Member Service Representative

Mayra Perez
Member Service Representative

Shawna Stielow
Member Service Representative

Felicia Toland
Member Service Representative

CREDIT UNION HOURS

Day

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 2016 ANNUAL MEETING

Chairman Lyle Mader called the Annual Meeting to order on March 25th, 2017 at 12:30 p.m. at the Evergreen Credit Union office in the village of Fox Crossing, Wisconsin.

Secretary Barb Hartfiel informed Chairman Mader that 23 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, Barb Hartfiel, Jeffrey Gehrke, Kurt Carpenter, Keith Fischer, and Mike Brandt. Andy Fenwick was 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 began by giving a quick highlight of the financial achievements of the credit union in 2016. Those included growing in-house loans by a record \$2.7 million and finishing the year with a Return on Assets of 0.91%. He explained that the credit union was growing at a very healthy and sustainable rate when most credit unions our size are struggling to survive. He then talked about some of the key achievements the credit union made towards our sustainability goals and pointed out the graphs in the Sustainability Report. Mike also mentioned that 2016 marked the first time in ECU's history that we advertised on cable television and had a front page story published about the credit union in the Milwaukee Journal Sentinel's business section. He listed several awards that the credit union was honored with in 2016 and enumerated several of the community outreach events and donations ECU had made last year. Looking forward to 2017, he announced that the board of directors had instructed him to begin the process of investigating if ECU should build a second location in coming years. He also explained that the credit union would be renaming several account types, but that the features of the accounts would not change. He let those present know that we were refreshing our website later in 2017 to be more in line with our brand and mission. He then asked if there were any questions. Marilyn Anunson asked if we were going to bring back the member appreciation picnic. Mike explained that the amount of red tape involved had become too burdensome to continue with the picnic. He added that the large amount of non-recyclable trash generated from that one-day event also didn't fit with our mission. She then followed up with a question of how he thought the new Community First Credit Union headquarters was going to affect the credit union. He restated what he had said at last year's meeting: the impact will be felt on the new member generation, but he didn't anticipate any dramatic shifts in the credit union's financials. Marlene Noren asked why we advertised on cable TV instead of the local stations. Mike explained that it was less expensive and easier to target very specific zip codes with cable compared to broadcast TV. This way we weren't paying to talk to people that couldn't even join the credit union. She also followed up with a question about where we are thinking of putting a branch. Mike explained that these were very early days and that all the options were still on the table. We will optimally want a location that will help us grow our membership while also providing convenience to our existing members. Another member pointed out that we could take over a bank branch like Verve did on Green Bay Road. Mike said it was something that would be considered, but that they would want to make sure that any new building would be built, or be able to be improved to, a very high environmental standard. There were no further questions.

CEO Brandt then asked the members to review the Treasurer's Report. Robert Allen asked why Other Expenses had gone up so much in one year. Mike explained that the additional marketing that the credit union was doing was in that section. There were no other questions. The report was filed for audit.

Chairman Mader asked for a motion to approve the Supervisory Audit report. A motion was made by Arden Tews and seconded from the floor. The motion carried.

MINUTES OF THE 2016 ANNUAL MEETING CONTINUED

Elections Of Directors

Kathy Jankowski introduced the nominees for the election: Kurt Carpenter, Jeff Gehrke, and Mike Brandt for 3 year terms. Chairman Mader asked for nominations from the floor three times. There were no additional nominations from the floor. Chairman Mader asked for a motion to direct the secretary to cast one unanimous vote to elect the nominees as directors of the credit union. A motion was made by Marilyn Anunson and seconded from the floor. The motion carried. The directors were congratulated on their elections to the Board.

Old Business

There was no old business brought to the floor.

New Business

There was no new business brought to the floor.

A motion was then made by Arden Tews and seconded by Marilyn Anunson 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 donated and planted three trees along the trail system in the Village of Fox Crossing for Arbor Day.

2017 PRESIDENT'S AND CHAIRMAN'S REPORT

Businesses flocked to Fox Crossing in 2017 as the Butte des Morts bridge project moved closer to completion. One of the businesses that relocated their headquarters to our neighborhood happens to be the fourth largest credit union in the state. However, as predicted when their plan to build was announced, it has really been a non-issue for our credit union. In fact, we were the only credit union under \$100 Million in assets in the Fox Valley that had positive member growth in 2017 (+2.1%). Being the only environmentally focused credit union in Wisconsin makes us a very unique choice for members. The consistent marketing of our environmental mission on the radio and various social media sites, along with our community outreach efforts, were definitely impacted this growth. We have found that people would like to be more environmentally responsible, but seldom know what to do to make a difference. Joining ECU gives them an easy way to reduce their carbon footprint while simply doing their banking. More and more of our new members are telling us that our environmental mission is a major factor in their decision to join the credit union. In addition to our unique mission, we continue to provide great service with a complete list of products people want from their financial institution.

At last year's annual meeting we mentioned that the credit union was moving forward with a plan to open a branch location. To that end, we engaged a company that specializes in finding locations for and building financial institutions. We worked with them diligently throughout the year to find a suitable site - only to have the negotiations breakdown in January of 2018. Although we will be starting the process over again, we are confident that we will find an ideal location. The new branch will be able to enhance the convenience for our existing members, and also allow us to bring environmentally responsible banking to new members.

In 2017, we continued to improve on our prior success in the five focus areas of our environmental mission: Energy Self-Sufficiency, Carbon Neutral Operations, Water Conservation, Zero-Waste Operations, and Employee & Member Education and Engagement.

- We maintained our zero-waste status and reduced total annual waste generated to just 1,900 pounds. More than 90% of that (1,733 pounds) was diverted away from the landfill!
- We continued to offset more carbon than we produced through regular operations. This allowed us to meet our Carbon Neutral Operations goal.
- We donated enough money to plant an additional 2,000 trees in national parks and forests. We have now donated enough to plant more than 9,000 trees since 2014.
- More than 85% of our annual electricity demand was produced by our rooftop solar array.
- Our annual water consumption dropped by an additional 2,000 gallons. We are now using less than half of the amount of water we did just two years ago.

You can find more details on these and our other accomplishments in the Sustainability Report included in this annual report.

Quite possibly the least interesting, but most important, section of this report is the financial performance results for the year. Bear with us as we give you a brief summary. The credit union earned \$404,745 in 2017, which equates to a return on assets of 1.09%. That rate is only surpassed by the largest credit unions in the area. Those strong returns allowed us to grow the assets of the credit union and maintain a safe cushion of reserves. Along with that, the net worth ratio is an important measurement of our total reserves compared to our assets. ECU's net worth ratio at the end of the year was 12.69%. This is a very strong number and shows that we have the ability to handle any downturns in the economy. A large majority of our asset growth came in the form of loans to our members, with in-house loan balances growing by more than two million dollars (+7.6%) in 2017. In general, Evergreen Credit Union's financial performance is enviable by most credit unions in our peer group. You can read more about the financials in the Treasurer's Report and the Statement of Condition sections of this booklet.

2017 PRESIDENT'S AND CHAIRMAN'S REPORT CONTINUED

As we do every year, we would like to thank our loyal members for their continued support, our forward thinking board of directors, and our great team of employees. Without all of you we would not be able to continue doing all of the good work we have done in our community.

Respectfully submitted,

Michael Brandt
President/CEO

Lyle Mader
Chairman of the Board



The volunteer portion of our annual staff development day was used to maintain and clean the boardwalk area at Trestle Trail.

TREASURER'S REPORT - 2017

Key Financial Benchmarks:

	2017	2016	Increase /<Decrease>
Assets	\$37,133,172	\$34,401,289	+ 7.9%
Loans	\$29,853,593	\$27,751,872	+ 7.6%
Member Shares (Deposits)	\$32,147,742	\$29,873,049	+ 7.6%
Profit/(Loss)	\$404,745	\$311,378	+ \$93,367

2017 was another incredible 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.

Here are our Key Financial Measures for 2017

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

- *Net PROFIT of \$404,745* – 2017 was another record setting profit year for ECU, an increase of nearly \$74,000 over the previous record set in 2015. The strong performance reflected increased income from loans and investments, along with overall expenses that stayed nearly flat year-over-year.
- *Return on Assets (ROA) of 1.09%* – A fantastic performance. This ratio rivals those of our largest competitors in the area.
- *Net Worth of 12.7%* – We maintained a strong reserve ratio as we balanced healthy asset growth with good income levels.
- *Total assets up 7.9%* – Growth of \$2.73 million was focused mainly in loan growth.
- *Loans to members increased 7.6%* – Total loans grew by over \$2.1 million. We maintained our Loan-to-Share ratio at 92.9%. This ratio is excellent for a credit union our size.
- *Loan Delinquency of 1.39%* – Strong loan growth over the last two years resulted in some additional risk. This ratio is higher than our target of 1%, however the numbers are trending down at year-end.
- *Member shares up 7.6%* – In spite of competitive pressures, our members still continued to trust ECU with their savings.
- *Membership up 71 or 2.1%* – ECU was able to maintain strong membership growth again in 2017. We ended the year with 3,412 members as compared to 3,341 the year end before.

As good as 2017 was for the credit union, new economic uncertainties and a rising rate environment may combine to put downward pressure on the credit union's growth and income in 2018. However, as always, your board of directors and management team are confident our strategy and planning will bring us through as strong as ever.

Respectfully submitted,

Jeffrey Gehrke
Treasurer

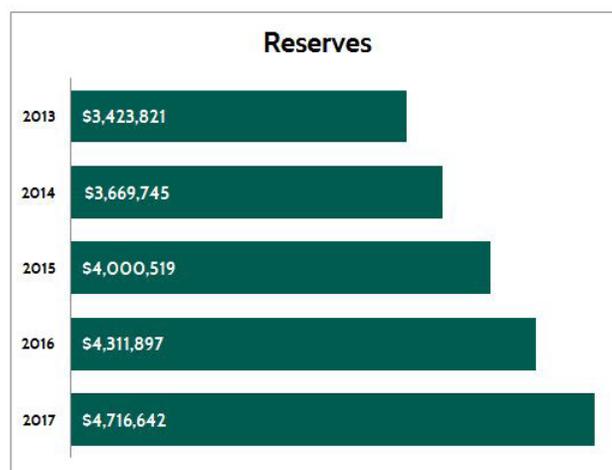
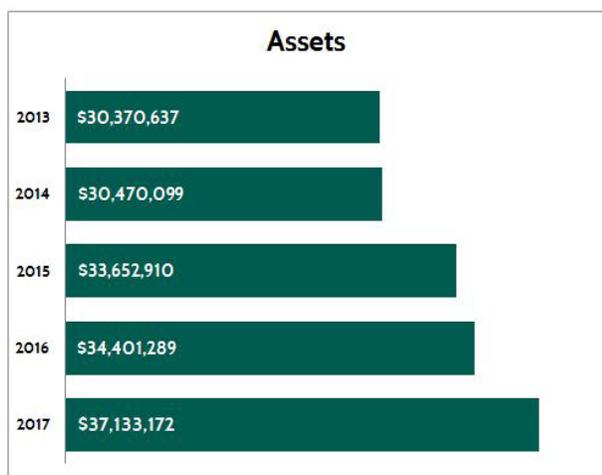
STATEMENT OF CONDITION

Assets

	2017	2016
Cash	\$50,288	\$152,808
Investments	\$5,527,009	\$4,947,554
Personal Loans	\$13,764,611	\$12,580,427
Mortgage Loans	\$16,088,981	\$15,171,445
Loans Held for Sale	\$501,133	\$324,121
Allowance for Loan Losses	\$(161,169)	\$(139,248)
Building and Land*	\$1,167,338	\$1,193,301
Furniture and Equipment*	\$41,714	\$53,396
Other Assets	\$153,266	\$117,483
Total Assets	\$37,133,172	\$34,401,289

Liabilities and Reserves

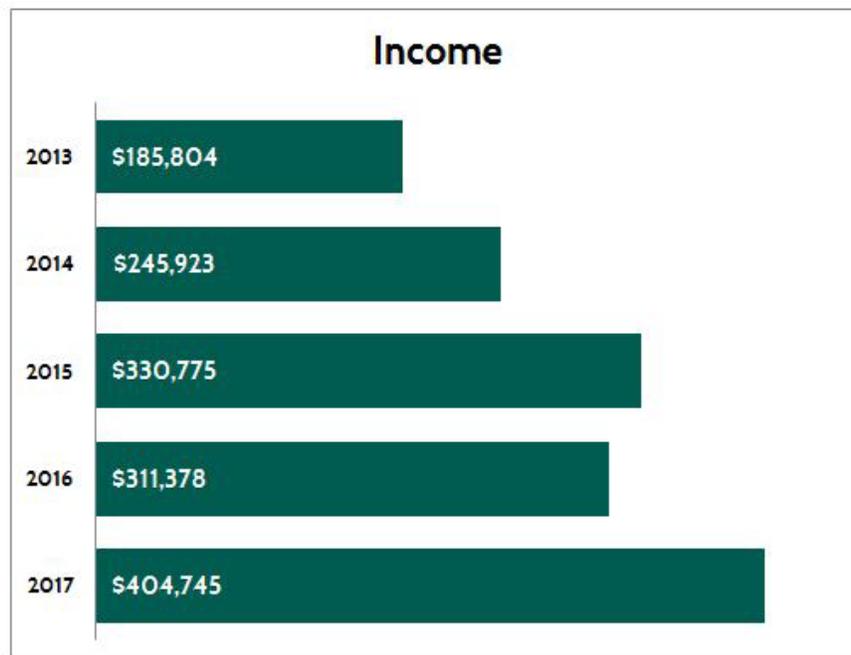
	2017	2016
Savings Accounts	\$12,156,956	\$11,333,753
Checking Accounts	\$5,084,777	\$4,977,262
Money Manager Savings	\$9,365,973	\$8,215,599
Certificates of Deposit	\$4,332,947	\$4,021,874
IRA Accounts	\$1,207,089	\$1,324,561
Other Liabilities	\$268,788	\$216,343
Total Liabilities	\$32,416,530	\$30,089,392
Regular Reserves	\$1,957,888	\$1,957,888
Other Reserves	\$2,758,753	\$2,354,009
Total Reserves	\$4,716,642	\$4,311,897
Total Liabilities & Reserves	\$37,133,172	\$34,401,289



* Net after accrued depreciation

STATEMENT OF INCOME

Income	2017	2016
Interest from Loans	\$1,363,974	\$1,259,574
Investments	\$92,302	\$78,846
Other Income	\$383,051	\$393,961
Total Income	\$1,839,327	\$1,732,382
Expenses	2017	2016
Salaries and Benefits	\$696,043	\$730,409
Building Costs	\$78,686	\$81,726
Office Operations	\$299,797	\$287,292
Provision for Loan Losses	\$37,812	\$27,616
Other Expenses	\$222,686	\$204,209
Total Operating Expenses	\$1,335,024	\$1,331,252
Income Before Dividends	\$504,303	\$401,129
Non-Operating Income/Loss	-	-
Dividends Paid to Members	\$(99,558)	\$(89,751)
Net Income	\$404,745	\$311,378



SUPERVISORY AUDIT REPORT



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August 10, 2017

To the Membership of
Evergreen Credit Union
Neenah, Wisconsin

Dear Members:

We performed a supervisory exam of Evergreen Credit Union (the "Credit Union") as of June 30, 2017. The procedures performed and findings, including the independent accountants' report on applying agreed-upon procedures, were issued subsequent to the completion of the supervisory exam and are on file at the Credit Union.

A supervisory exam is one of the options available to federally insured credit unions under Section 715 of the NCUA Rules and Regulations. The supervisory exam was performed in accordance with the minimum procedures described in Appendix A of the National Credit Union Administration's Supervisory Committee Guide for Federal Credit Unions. Any significant findings identified at your credit union were reported to its Board of Directors.

Our firm looks forward to working with your credit union.

Sincerely,
HAWKINS ASH CPAs, LLP

A handwritten signature in black ink that reads "Jeffrey Danen".

By Jeffrey Danen, Partner

2017 SUSTAINABILITY REPORT

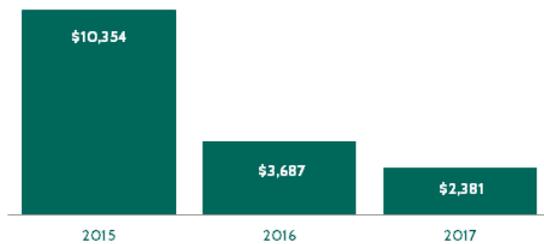
Evergreen Credit Union met our sustainability goals again in 2017, continuing our leadership as the most environmentally responsible financial institution in the state. This report highlights our work in our six environmental focus areas: energy self-sufficiency, carbon neutrality, water conservation, zero waste, employee engagement, and member education.

Energy Self-Sufficiency

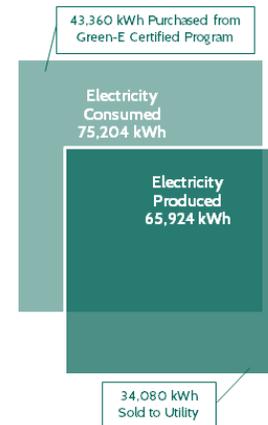
ECU's on-site rooftop solar array continued to support the credit union in 2017. For the second year in a row, we produced more electricity than we purchased from the utility. Our energy costs decreased an additional 35% in 2017 compared to 2016. But what is even more exciting is that our total electricity costs have dropped more than 75% since 2015.

Our commitment to responsible energy use earned us our third EPA ENERGY STAR Building certification in a row. In 2017 we received a score of 99 (on a scale of 1-100), putting ECU ahead of almost all other ENERGY STAR rated office buildings in the nation. Incidentally, our score has increased by 12 points since 2015.

Electricity Costs



Electricity Production and Use



Carbon Neutral

To maintain the credit union's carbon neutral status, ECU continued our partnership with the Arbor Day Foundation to plant a tree for each new member and each new loan opened. We have donated money to plant more than 9,000 trees since 2014. This year our donations helped to establish new trees in northern Wisconsin. ECU also maintained our commitment to the EPA Green Power Partnership by producing the majority of our own electricity with our solar array, while purchasing the balance from 100% renewable resources.

For 2017, we added new metrics to our carbon calculations to include incorporating the carbon impacts of special events and waste management. These new variables help provide a more precise calculation of the credit union's carbon footprint.

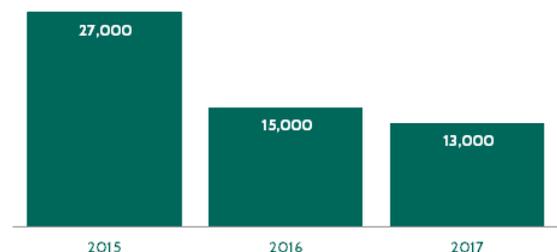
Net Carbon Footprint (metric tons)



Water Conservation

In 2017 ECU continued to practice good water use habits. We have reduced our annual water consumption by 14,000 gallons versus the baseline established in 2015. This past year we looked to our rain barrels to help conserve by using captured water to maintain the landscaping and indoor plants.

Water Usage (gallons)

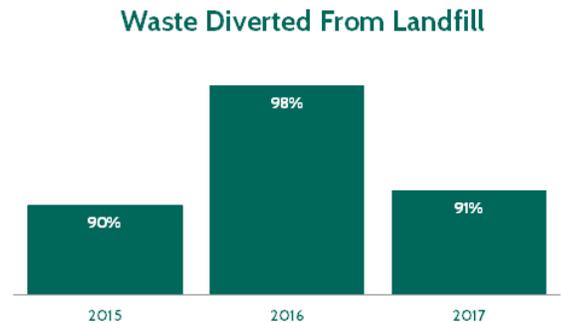


2017 SUSTAINABILITY REPORT CONTINUED

Zero Waste

For the third year in a row, ECU has kept our zero waste status based on the EPA's definition of diverting 90% or more waste material from the landfill. In 2017, the majority of the credit union's diverted waste was paper (loose and shredded) and plastic film. ECU continued to collect plastic film and discarded shopping bags from members and employees in our lobby to donate to the Trex Community Challenge.

Not only are we working to divert waste from the landfill, but we are also working to reduce the amount of waste produced. Our entire operation - consisting of 14 employees serving over 3400 members - only produced about 1,900lbs of waste material in 2017. According to data from the Wisconsin Department of Natural Resources, one American produces about 1700 pounds of waste per year on average. So the entire credit union basically makes about the same amount of waste as one person. We feel this is a significant achievement and are striving to reduce our annual waste generation even further for 2018.



Employee Development

We have maintained high levels of participation in our employee engagement program, 4:E (Evergreen Environmental Engagement Experience). Our program helps educate our employees so they feel comfortable talking about our sustainability initiatives. This in turn allows them to educate our members and the general public about our mission. Employees are kept informed of current credit union initiatives and progress on goals through a monthly internal sustainability newsletter.

Member and Community Engagement

Part of our mission includes engaging the membership and our local community in our projects and environmental mission.

One of our proudest achievements in 2017 was partnering with the Village of Fox Crossing Parks and Recreation Department to develop an Adopt-a-Trail program for the walking paths within the village. Much like the Adopt-a-Highway Program, area organizations and businesses will sponsor a section of the trail and agree to perform at least three cleanup events each year on the adopted section. ECU has sponsored the 2.1 miles that pass by the credit union on West American Drive. Employees and members will be invited to help beautify the trails in the coming year.

In 2017, ECU once again provided fresh, local product for the St. Joe's Food Program through our summer bucket garden. Employees took turns caring for the garden to produce banana peppers, green beans, and carrots.

In addition to those two programs we also sponsored and participated in many area community events including:

- Village of Fox Crossing Parks and Recreation Filthy Fun Kids Run
- Eagle Days Along the Fox Annual Reception
- Fox Wolf Watershed Alliance Earth Day Cleanup
- Sustain Greenville Christmas Light Recycling Drive
- Field Notes Farm's CSA Drop-off Point
- World Water Day with the City of Appleton

2017 SUSTAINABILITY REPORT CONTINUED

We are very proud of the work we are doing and the milestones we have achieved since beginning this mission. We are also grateful of the recognition that our commitment to environmental responsibility continued to receive in 2017.

- We achieved Green Professional status in the Wisconsin Green Masters Program
- We were invited to present at the Wisconsin Sustainable Business Council Conference about member and employee engagement on environmental topics
- Our President/CEO sat on a Sustainability in Businesses panel discussion hosted by the NEW Sustainable Leaders Group
- We became a Wisconsin Partner for Clean Air

Although it is nice to be recognized for our hard work, our focus continues to be where it always has been: doing what is best for our members and our community. Thank you for choosing Evergreen Credit Union for your financial needs and supporting our environmental mission.



We continued our partnership with the Fox Valley Humane Association to help find homes for dogs in need, like Jessica and Laverne.



We continued to support Village of Fox Crossing events like Filthy Fun Kids Run and Summer Safety Night.



Our employees and their pets participated in Neenah Animal Shelter's annual Furry Flurry walk.



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EvergreenCU.com

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