



# 2018

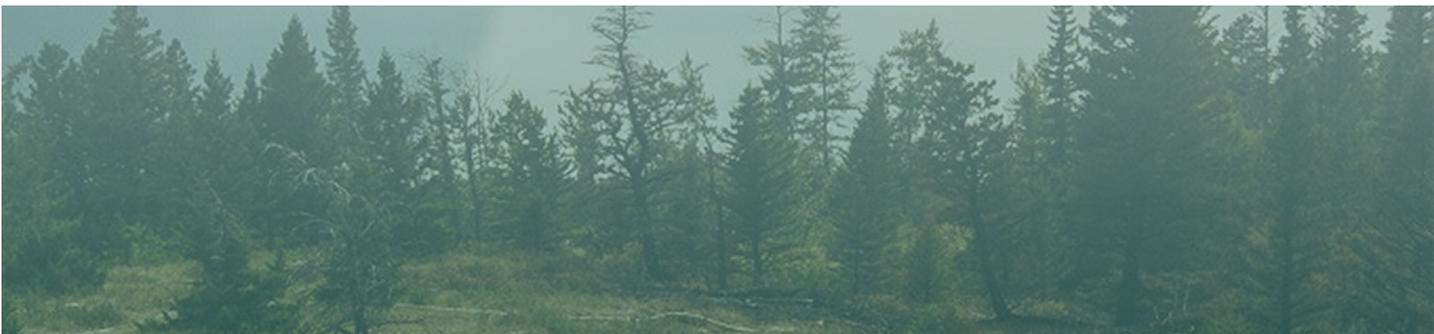
## annual report





# AGENDA

1. Call to Order
2. Determination of 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 Directors(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*

Kathy Jankowski  
*Director*

# THE GREEN TEAM (STAFF)

Kathy Jankowski  
*President/CEO*

Becky Meissner  
*Vice President - Operations*

Lisa Hable  
*Vice President - Lending*

Maggie Schiedermayer  
*MSR Supervisor*

Roni Kasperek  
*Sustainability/Marketing Manager*

Andrea Grunenwald  
*Accountant*

Megan Popp  
*Loan Officer*

Eileen Roberts  
*Loan Processor*

Olivia Coffey  
*Member Service Representative*

Dehlia Engel  
*Member Service Representative*

Rachel Lang  
*Member Service Representative*

Sallie Leary  
*Member Service Representative*

Mayra Perez  
*Member Service Representative*

Shawna Stielow  
*Member Service Representative*



## WELCOME NEW CEO AND PRESIDENT, KATHY JANKOWSKI!

Kathy Jankowski has been part of Evergreen Credit Union's executive team since 2011. She was the vice president of lending for the first five years and then transitioned to vice president of operations in 2016. We're excited for her to use her extensive credit union experience and leadership skills to lead the credit union forward. She officially started her new duties in August of 2018.

# MINUTES OF THE 2017 ANNUAL MEETING

Chairman Lyle Mader called the Annual Meeting to order on March 31st, 2018 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 30 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, Andy Fenwick, and Mike Brandt. Keith Fischer 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 Hawkins Ash CPAs
- Sustainability Report

Mike Brandt discussed the President/CEO and Chairman's Report and the Sustainability Report. He announced that April 1st 2018 will mark 60 years in business for our credit union. He then reviewed some of the achievements of the credit union's environmental mission, including maintaining our carbon negative status, generating 85% of our annual electrical demand from our solar array, and using less than half the amount of water in 2017 than we did just two years earlier. The achievement he was most proud of was reducing the amount of waste the credit union generated down to approximately 1900 pounds for the entire year. Of that amount, more than 1700 pounds was diverted from the landfill through our recycling and composting programs. He then moved on to discuss the credit union's financial successes in 2017. Loans grew by more than two million dollars – about the same as the growth in deposits. He explained that this was the best kind of growth for a credit union. Net income was also very strong at approximately \$404,000. He also explained that our membership continued to grow in 2017 (up 2.1%) and that we were the only credit union in the Fox Valley under \$100 million in assets that had positive member growth. He then went on to say that both the state examination and our annual CPA audit had no major findings. His discussion then turned to the search for a location to open a branch office. Unfortunately after negotiating on a parcel for more than six months, the deal fell apart. That means that the credit union will need to start the search from scratch once again. Mike then turned his attention to other projects that were coming in 2018, like mobile app enhancements and Chip and Pin Debit cards. He then asked if there were any questions. Jeanine Knapp asked if we were going to do a press release about our 60th anniversary. Mike said that we were working with our marketing firm to get something put together. There were no further questions.



We attended the Your Future Live! Career Fair for middle and high school students.

CEO Brandt then asked the members to review the Treasurer's Report. There were no questions on this report. The report was filed for audit.

Chairman Mader asked for a motion to approve the Supervisory Audit report. A motion was made by Betty Allen and seconded by Kurt Carpenter. The motion carried.

## **ELECTIONS OF DIRECTORS**

Kathy Jankowski introduced the nominees for the election: Lyle Mader and Andy Fenwick for 3 year terms. Vice Chairman Carpenter asked for nominations from the floor three times. There were no additional nominations from the floor. Vice Chairman Carpenter 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 Robert Allen and seconded by Marilyn Anunson. The motion carried.

## **OLD BUSINESS**

There was no old business brought to the floor.

## **NEW BUSINESS**

There was no new business brought to the floor.

At this time Mike opened the floor for questions. He encouraged the members to ask about anything they would like to know about the credit union. Marlene Noren -referring to the annual meeting booklet- asked how many dogs we had helped get adopted in 2017. Mike informed the members that nine were adopted in 2017, but that we have helped find homes for more than 20 dogs since the program started. Joan Reuss asked the location of the lot on which the credit union had been negotiating. Mike explained that it was in Menasha and that we will continue our search on the east side of the Fox Valley. That will allow us to offer convenience to our existing members who live in that area while allowing us to expand our membership to new members. Jeanine Knapp asked if Community First Credit Union's new headquarters was impacting our business. Mike said that as he had predicted when the project was first announced, it hasn't had any noticeable impact on our business. Due to CFCU's number of branches, our members could be doing business with CFCU already if they wanted to be doing business with them. But instead they continue to

choose to do their banking here for other reasons. Treasurer Jeff Gehrke added that we do things differently here at the credit union and members choose us for reasons other than rates and number of branches. Secretary Barb Hartfiel added that she lives nearby and doesn't notice much member traffic at that CFCU branch. Mike also added that strategically the credit union doesn't even consider competing with anyone on pricing (loan and deposit rates), because another credit union can always advertise a better rate than we can offer. However, what they can't do is claim that they are doing more for the environment than we are doing. He concluded by stating that we do not get caught up in figuring out what CFCU or any other credit unions are doing, we just keep doing our own thing and it seems to be working for ECU. There were no further questions.

A motion was then made by Marilyn Anunson and seconded by Arden Tews to adjourn the meeting at 12:50 p.m. The motion carried. A drawing was then held for door prizes.

Respectfully submitted,

Barbara Hartfiel  
*Secretary*

Lyle Mader  
*Chairman of the Board*

In 2018, we continued helping local animal shelters. Staff had a "night in" at the credit union and made blankets and toys for the Fox Valley Humane Association. In December, we supplied the Neenah Animal Shelter with supplies as part of our Holiday Giving Tree.



# 2018 PRESIDENT'S AND CHAIRMAN'S REPORT

In 2018 Evergreen celebrated its 60th anniversary. Sixty years can mean a lot of changes, but what hasn't changed is our focus to provide amazing service to our members. We want to take this opportunity to thank you for choosing Evergreen Credit Union.

Evergreen saw positive loan, asset, and membership growth while maintaining its strong financial position in 2018. Being in the Fox Valley, an area saturated with eleven other credit unions, this is a notable achievement because we understand consumers have many financial choices. We know our sustainability standards and mission are impacting our growth.

The credit union earned \$395,530 in 2018, which equates to a return on assets (ROA) of 1.10%. Comparatively, the peer group in our asset size is average 0.49% ROA. The ROA ratio is an important profitability ratio.

We are proud to continue our mission to be the most environmentally responsible credit union in the nation. From our rooftop solar array to our staff's dedication to waste management, it's all about making large and small choices that impact our credit union, our families, community, and future generations.

The wonderful tradition of giving back to our community is alive and well. Evergreen's team volunteered 209 hours and raised funds through bake sales. Some of the non-profits that benefited in 2018 were Neenah Animal Shelter, Harbor House, Friendship Place, and Fox Valley Humane Association. In addition, we sponsor many Fox Crossing events, such as the Filthy Kids Fun Run and Summer Safety Night.

After a short moratorium, we are excited to move forward with our plan to open a branch location in 2019. The new branch will enhance the convenience for our members and attract new members.

Watch for these new conveniences in 2019: Remote deposit capture (mobile banking users can deposit checks from their smartphones by taking a picture) and Debit chip cards (a tiny chip that is a big help with debit card security).

Thank you for supporting Evergreen Credit Union!

Respectfully submitted,

Kathy Jankowski  
*President/CEO*

Lyle Mader  
*Chairman of the Board*

# TREASURER'S REPORT 2018

## Key Financial Benchmarks:

	2018	2017	Increase/(Decrease)
Assets	\$37,771,222	\$37,133,172	+ 1.7%
Loans	\$32,189,811	\$29,853,593	+ 7.8%
Member Shares (Deposits)	\$31,955,516	\$32,147,742	(-. 5%)
Profit/(Loss)	\$395,530	\$404,745	(- 2.2%)

2018 was a solid year for our credit union. Here are the Key Financial Measures:

- **Net Profit of \$395,529** - We showed a very strong net PROFIT of \$395,529, only down 2.2% from the prior year.
- **Return on Assets (ROA) of 1.04%** - We are maintaining a solid performance year after year and outperforming our peer group which averaged 0.49%.
- **Net Worth of 13.53%** - Our net worth ratio increased over last year's 12.70%. This ratio is the primary measure of our credit union's financial strength and ability to meet its commitment to members today and into the future.
- **Total assets up 1.7%** - Nice growth in loans to members, which offset decreases in investments.
- **Loans to members rose 7.8%** - Loan-to-Share ratio increased to 100.7%, up from 92.9% in 2017.
- **Loan Delinquency of 1.74%** - Strong loan growth continued over the last two years resulting in some additional risk. This ratio is higher than our target of 1%, however the numbers are trending down at year-end.
- **Member shares down .5%** - A small change from last year.
- **Net Membership up 45 or 1.3%** - Some of Evergreen's positive membership growth can be contributed to our members! Thank you for referring family, friends, and co-workers. We love to see your children and grandchildren as ECU members, too!

Your Board of Directors and Management Team look forward to another good year in 2019, growing and serving the needs of our members. We again see challenges ahead due to the usual economic uncertainties and a potential for a challenging interest rate environment. We have proven to be a safe and sound financial over the years. We will continue this mission because of our loyal members, strong and capable team, and guidance of our board of directors.

Respectfully submitted,

Jeffrey Gehrke  
*Treasurer*

# STATEMENT OF CONDITION

## ASSETS

	2018	2017
Cash	\$ 385,503	\$ 50,288
Investments	\$ 3,931,334	\$ 5,527,009
Personal Loans	\$ 14,215,560	\$ 13,764,611
Mortgage Loans	\$ 17,974,251	\$ 16,088,981
Loans Held for Sale	\$ 121,363	\$ 501,133
Allowance for Loan Losses	\$ (175,432)	\$ (161,169)
Building and Land*	\$ 1,136,754	\$ 1,167,338
Furniture and Equipment*	\$ 32,841	\$ 41,714
Other Assets	\$ 149,048	\$ 153,266
<b>Total Assets</b>	<b>\$ 37,771,222</b>	<b>\$ 37,133,172</b>

## LIABILITIES AND RESERVES

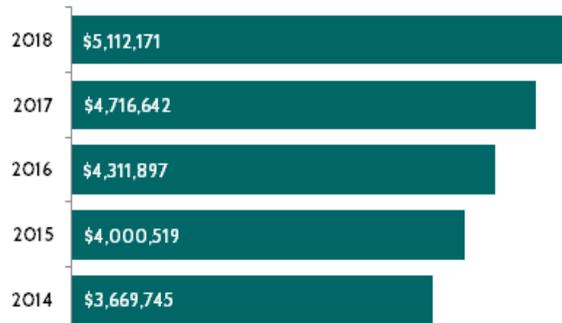
Savings Accounts	\$ 13,041,614	\$ 12,156,956
Checking Accounts	\$ 5,375,175	\$ 5,084,777
Money Manager Savings	\$ 8,630,229	\$ 9,365,973
Certificates of Deposit	\$ 3,812,101	\$ 4,332,947
IRA Accounts	\$ 1,096,397	\$ 1,207,089
Other Liabilities	\$ 703,534	\$ 268,788
<b>Total Liabilities</b>	<b>\$ 32,659,050</b>	<b>\$ 32,416,530</b>
Regular Reserves	\$ 1,957,888	\$ 1,957,888
Other Reserves	\$ 3,154,283	\$ 2,758,753
<b>Total Reserves</b>	<b>\$ 5,112,171</b>	<b>\$ 4,716,642</b>
<b>Total Liabilities &amp; Reserves</b>	<b>\$ 37,771,222</b>	<b>\$ 37,133,172</b>

\*Net after accrued depreciation

### Assets



### Reserves



# STATEMENT OF INCOME

INCOME	2018	2017
Interest from Loans	\$ 1,477,068	\$ 1,363,974
Investments	\$ 121,882	\$ 92,302
Other Income	\$ 364,023	\$ 383,051
<b>Total Assets</b>	<b>\$ 1,962,972</b>	<b>\$ 1,839,327</b>
<b>EXPENSES</b>		
Salaries and Benefits	\$ 755,008	\$ 696,043
Building Costs	\$ 81,034	\$ 78,686
Office Operations	\$ 294,174	\$ 299,797
Provision for Loan Losses	\$ 82,850	\$ 37,812
Other Expenses	\$ 261,551	\$ 222,686
<b>Total Operating Expenses</b>	<b>\$ 1,474,617</b>	<b>\$ 1,335,024</b>
Income Before Dividends	\$ 488,356	\$ 504,303
Non-Operating Income/Loss	\$ 23,358	\$ -
Dividends Paid to Members	\$ (116,184)	\$ (99,558)
<b>Net Income</b>	<b>\$ 395,530</b>	<b>\$ 404,745</b>

## Income



September 17, 2018

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, 2018. 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.

Sincerely,  
HAWKINS ASH CPAs, LLP



By Jeffrey Danen, Partner

# 2018 SUSTAINABILITY REPORT

At the core of ECU is our environmentally responsible mission. 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

The credit union's rooftop solar array continues to be the star of the show. For the third year in a row, we produced more electricity than we purchased from the utility. We have saved more than 60% in energy costs since the array was installed, and more than 35% since 2016. While we maintained in terms of numbers compared to 2017, last year's weather impacted our energy usage as we saw more temperature highs and lows. Our energy intensity per degree outside was lower than last year, signifying we have continued our trend of energy savings.

For the fourth year in a row, we maintained our EPA ENERGY STAR Certificated Building status. For 2018, the ENERGY STAR program saw some changes in metrics, and our score was scaled back to 91 (on a scale of 1-100). 2018 will now be the new baseline going forward with the updated scoring system.

## Carbon Neutral

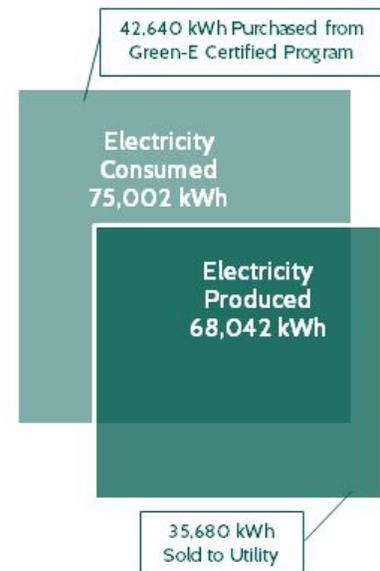
To maintain the credit union's carbon neutral status, ECU continued with beneficial programs including partnering with the Arbor Day Foundation to plant a tree for each new member and each new loan granted. We have donated money to plant more than 11,000 trees since 2014. This year our donations helped to establish new trees in northern Wisconsin. ECU also maintained commitment to the EPA Green Power Partnership by producing the majority of our own electricity (via solar array), while purchasing the balance from 100% renewable resources.

For 2018, we added new metrics to our carbon calculations. As part of our new footprint, we are also tracking the impacts of mail sent on our behalf. This includes your monthly statement. We hope to use this to encourage members to switch to E-statements.

## Water Conservation

ECU has held on to good water use habits in 2018. We have reduced our water consumption by 13,000 gallons since 2015 when we started our environmentally responsible mission.

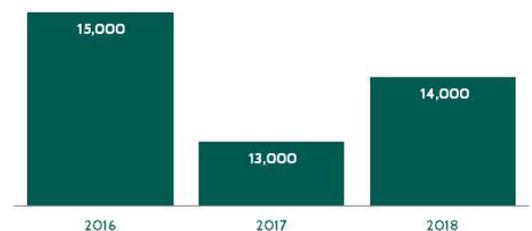
## Electricity Production and Use



## Net Carbon Footprint (metric tons)



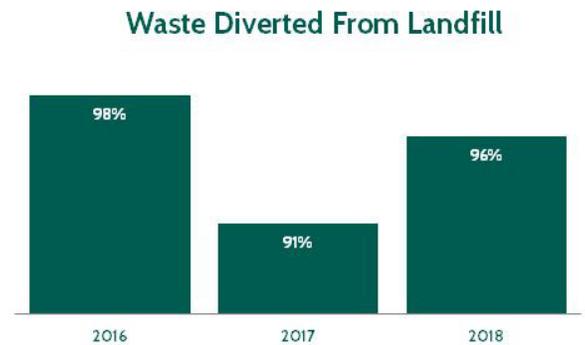
## Water Usage (gallons)



## Zero Waste

For the fourth year in a row, ECU has maintained zero waste status based on the EPA's definition of diverting 90% or more waste material from the landfill. In 2018, the bulk of the credit union's waste continued to be paper, both shredded and loose. There was also an increase in the overall amount composted as a result of our employee education efforts. ECU composts food waste from the breakroom on site.

To include our members in our mission, we continued to collect plastic film in our lobby for recycling. In 2018, we recycled over 300lbs of plastic film. Working alongside the Village of Fox Crossing and Jack's Maintenance, every 500lbs collected equals one free park bench through the TREX Community Challenge.



## Employee Development

In 2018, we maintained high levels of participation in our employee engagement program, the 4:E Evergreen Environmental Engagement Experience. Our program helps employees feel comfortable about our sustainability initiatives, allowing them to facilitate member education. New employee activities such as a personal waste audit and community scavenger hunt were introduced in order to encourage good sustainable habits.

Cool Choices, an online sustainability based card game, was played in North East Wisconsin. ECU joined with two teams. Together as a business we took second place. Employees played cards based on sustainable actions they have taken in their own lives. We are very proud of our placement on the leaderboard.

## Member and Community Engagement

Utilizing the empty space in our parking lot, ECU provided fresh, local product for St. Joe's Food Program with our summer bucket garden. Employees took turns caring for the garden to produce banana peppers, green beans, and carrots.

In 2018 we sponsored and participated in many community events in the credit union's membership area. Here is a selection:

- Village of Fox Crossing Parks and Recreation Filthy Fun Kids Run and other programs
- Sustain Greenville wire/light recycling drive and Farmers Market
- Drop-off point for Rising Sand Organic's CSA
- City of Menasha Electronics Recycling event
- Neenah Animal Shelter Furry Flurry
- ECU Family Bike Ride

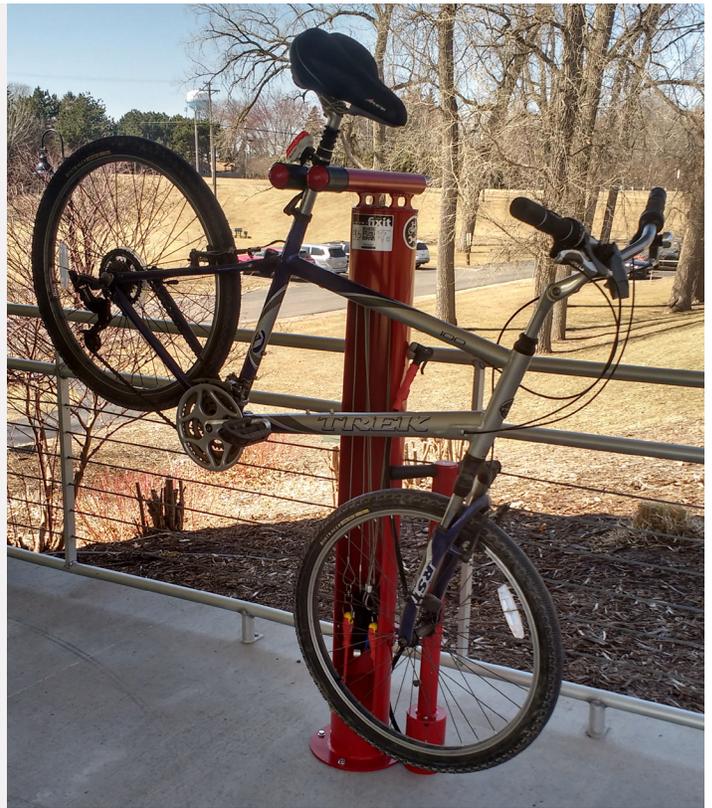
We spent a lot of time in the community this past year interacting with residents, members, and business peers to spread our mission and brand. Thank you for choosing us for your financial needs.



ECU had fun in the sun and handed out the finish line medals at the Filthy Fun Kids Run...



... and we braved the cold to hand out candy at the Trick-or-Treat Trail, too!



We sponsored the Bicycle Repair Station at Fritse Park. Use it the next time you hit up the Trestle Trail.



At the end of our Staff Development Day we made holiday cards for the residents living at Matthews Senior Living.



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