



February 20, 2016

# 61st Annual Meeting

## 2015 ANNUAL MEETING MINUTES

February 21, 2015

The annual meeting was called to order. Present were Jennifer Harris, CEO and Katherine Escalera, CFO, along with a large number of members. Board members present were: Bob Orrill, Dana Rich, Mark Alexander, Michele Legg, Gary Krcmarik, John Winikka, and Jeff Smith. Dennis Lavin from the Supervisory Committee was also present. A quorum was present.

MINUTES OF 2014 ANNUAL MEETING - a motion is made and seconded to approve the 2014 annual meeting minutes. Motion passes unanimously.

Acknowledgment of the Officer's Report - Chairman, John Winikka, directs members to reports contained in the meeting packet.

CALL FOR NEW BUSINESS - Member requests update on credit card chip cards. Although the chips are the wave of the future, they are very expensive. Merchants are not equipped with technology yet and chips are still being tested and perfected. There are questions about using the cards with chips for international travel. Merchants will be responsible for fraud once chip technology is in place, however the CU must balance cost of CU responsibility for fraud without chips vs. cost of issuing cards with chip.

ELECTIONS - Board member up for re-election are Jeff Smith, Dana Rich and Gary Krcmarik. There is a call made for new nominations. Jeff Smith, Dana Rich and Gary Krcmarik are nominated. There is a second and third call for new nominations. No others being nominated, a motion is made and seconded to re-elect Jeff Smith, Dana Rich and Gary Krcmarik. Motion passes unanimously.

Chairman, John Winikka, introduces all board members and Dennis Lavin.

After awarding door prizes, a Motion was made and seconded to adjourn. Motion passes unanimously and the meeting ended at 10:21a.m.

Michele Legg  
Secretary



### “People Helping People”

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#### MEETING AGENDA

- Call the meeting to order
- Ascertainment of a quorum
- Approval of the 2015 Annual Meeting Minutes
- Acknowledgement of the Officer's Reports
- Call for New Business
- Elections
- Door Prizes
- Adjournment



## SUPERVISORY COMMITTEE REPORT 2015

The Supervisory Committee of Coconino Federal Credit Union works in conjunction with the Board of Directors to monitor and review the Credit Union's accounting procedures and practices. Our aim is to ensure all fiscal operations are performed accurately and in compliance with appropriate rules and regulations. The Supervisory Committee Chair is also a member of the Board of Directors.

To assist the Committee, the Credit Union retained the services of CliftonLarsonAllen LLP, a national firm of certified public

accountants, to perform a financial statement audit as of June 30, 2015 under generally accepted auditing standards. The Supervisory Committee is pleased to report that based on CliftonLarsonAllen's audit your Credit Union is financially strong and its fiscal operations are in compliance with the Credit Union's charter, federal regulations, and sound business practices.

Respectfully submitted,

Mark Alexander  
Chairman

*Merely continuing the growth that we have had, as good as it has been, may not be enough*

### **Mission Statement**

**We are a not-for-profit financial institution providing quality products and services, while returning value to our member owners.**

**“People  
Helping  
People”**

## PRESIDENT'S REPORT

Over the past year, our credit union introduced some new products to make “banking” with the credit union more convenient for you. We know you have a lot of choices out there for a financial partner, we are grateful you chose us and we think you made the right decision. As a financial cooperative, our success is your success. When you participate and use the services the credit union provides, whether you are a saver, borrower or both you are contributing to our growth. With this growth, we are able to return our profits to you, our member-owners. We do this by having competitive savings rates, low loan rates, less fees, new products and services all to make the member experience the best it can be.

The board of directors and staff are here with one objective and that is to help you meet your financial goals. Our commitment continues to be to grow responsibly, explore new technology, listen and respond to your needs. We will continue to explore new products and services that will benefit you, the membership. We are proud to be the only financial institution based in Coconino County, serving our member's since 1955. With our dedicated staff and board of directors along with the support of our membership we are well positioned to face any challenges and seize any opportunity that presents itself in 2016.

Jennifer R Harris

President/CEO

## CHAIRMAN OF THE BOARD'S REPORT

Last year was another good year for our Credit Union. We continued steady growth, and maintained many trends that will meet our goals. Additionally, the members of the Board continue to look into the future to keep CFCU on track to become the credit union of choice in Flagstaff and Northern Arizona.

The financial industry is changing rapidly, including the credit union environment. Merely continuing the growth that we have had, as good as it has been, may not be enough. We are striving to keep our credit union above the basics and move ahead by continuing to change with, and take advantage of, new technologies while still serving our fellow owners in the way they deserve. Our Board will continue to work to provide the best possible services for our members today, as well as the future.

This last year, we have:

- Completed test runs with the new chip technology for our cards. We are already issuing this technology in our credit cards and recently we began sending out new debit cards with chips.
- Began accepting Remote Deposit Capture, which allows members the convenience of depositing checks right from their smartphone.
- There are other exciting changes that we believe are just around the corner, almost literally.
- Continued to maintain compliance with the always rapidly changing regulatory environment. The members of the Credit Union Board of Directors and Supervisory Committee are also continually striving to stay current on the new security risks.

Looking forward to new opportunities:

- We have searched for new strategic opportunities locally and through technology, keeping in mind our main goal of growing the credit union to better serve the current members and our community.
- We still look for what we are doing well and seek to improve on that, as well as where are the areas that most need improvement.
- We will support the training and education of our member employees and Board.
- We will continue to treat our members as family and deliver the best customer service in the industry.
- We will work hard to maintain a safe and sound financial institution providing the best services, competitive rates and friendly service.

On behalf of the Board of Directors, I would like to express my sincere thanks to all the staff of Coconino Federal Credit Union for their hard work and dedication to serving our members.

Coconino Federal Credit Union continues to be the only locally operated Credit Union in Flagstaff. We know you have a choice as to whom you use as a financial partner. Thank you for choosing Coconino Federal Credit Union.

Sincerely,

John Winikka  
Chairman of the Board

## BOARD OF DIRECTORS

John Winikka, Chairman

Bob Orrill, Vice-Chairman

Michele Legg, Secretary

Dana Rich, Member

Gary Krcmarik, Member

Mark Alexander, Member

Jeff Smith, Member

## SUPERVISORY COMMITTEE

Mark Alexander, Chairman

Dennis Lavin, Member

Duane Weston, Member

Derek Tungmala, Member



## Flagstaff

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# NCUA

National Credit Union Administration, a U.S. Government Agency

## STATEMENT OF FINANCIAL CONDITION

	December 31	2014	2015
<b>ASSETS</b>			
Loans to Members	\$	30,532,811	\$ 34,883,877
Allowance for loan losses		(322,916)	(527,483)
Investments		24,687,325	24,252,820
Property and Equipment		1,887,359	1,848,739
Cash and Cash Equivalents		3,479,353	3,930,041
Other Assets		1,097,340	1,015,324
<b>Total Assets</b>	<b>\$</b>	<b>61,361,273</b>	<b>\$ 65,403,318</b>
<b>LIABILITIES</b>			
Accts Payable/Accrued Exp	\$	370,660	\$ 404,383
Members Share Accounts		55,375,862	59,197,739
Regular Reserve		1,614,110	1,614,110
Undivided Earnings		4,000,641	4,187,087
<b>Total Liabilities</b>	<b>\$</b>	<b>61,361,273</b>	<b>\$ 65,403,318</b>
<b>&amp; Members' Equity</b>			

## Statement of Income

	January 1 - December 31	2014	2015
<b>Income</b>			
Net Interest from Loans	\$	1,638,114	\$ 1,811,529
Investment Income		288,485	296,416
Other Income		1,106,298	1,163,390
<b>Total Income</b>		<b>3,032,897</b>	<b>3,271,335</b>
<b>Operating Expenses</b>			
Comp. & Employee Benefits		1,014,245	1,056,594
Office Occupancy		174,308	174,056
Office Operating Expenses		775,126	848,121
Other Expenses		402,752	405,576
<b>Total Operating Expenses</b>		<b>2,366,431</b>	<b>2,484,347</b>
Income before Dividends		666,466	786,988
Provision for Loan Losses		(164,400)	(494,425)
Dividends to Members		(102,823)	(106,597)
		399,243	185,966
Gain on Investments/ Gain on Sale of Assets		6,034	480
<b>Total Net Income (Loss)</b>	<b>\$</b>	<b>405,277</b>	<b>\$ 186,446</b>