

February 24, 2018



63rd Annual Meeting



2017 Annual Meeting Minutes

Meeting Agenda

- ◆ Call the meeting to order
- ◆ Ascertainment of a quorum
- ◆ Approval of the 2017 Annual Meeting Minutes
- ◆ Acknowledgment of the Officers' Reports
- ◆ Call for New Business
- ◆ Election
- ◆ Door Prizes
- ◆ Adjournment

The annual meeting was called to order at: 10:03 a.m. Present were Jennifer Harris, CEO and Katherine Escalera, CFO, Marlene Baca, COO. Board members present are: Mark Alexander, Gary Krmarik, John Winikka and Jeff Smith.

A quorum of at least 15 members are present. A motion is made and seconded to approve the 2016 annual meeting minutes. Motion passes unanimously.

Acknowledgement of the Officers' reports- Chairman John Winikka, directs members to reports contained in the meeting packet.

Call for New Business-

Member asks about remodeling the Page branch. Office is very small .We don't have an exact plan, but we want to redesign it to make it more fluid, and easier for members to come in and be greeted.

Another member said Thank You for the new ATM, it is fabulous.

Board Members are introduced.

Elections- John Winikka and Michele Legg are up for re-election. A motion is made and seconded to re-elect John Winikka and Michele Legg.

Motion passes unanimously.

Door Prizes are awarded.

Member is interested in reaching places that people don't have access on a personal level.

We are looking into a mobile branch to reach rural areas, big events, etc.

Member asks about reaching out to educate.

We are looking at reaching out to schools to educate the youth on how to handle money. What is credit, and how to manage it.

Member is volunteering herself to help out.

Mark is reaching out to see if anyone is interested in volunteering for the Supervisory Committee.

Member asks how many members do we have this year. We have 8,300 members at this time.

Member asks: Do we do surveys to see why people use us, or why not. Employees are trained to interact with the members to see what they want.

A motion is made and seconded to adjourn. Motion passes and the meeting ended at 10:30.

Jeff Smith - Secretary

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Chairman of the Board's Report

We have had an exciting year. While remodeling our main branch over the summer, the re-opening was delayed when a late summer monsoon hit just as the finishing touches were being put on the roof. The result was several inches of water through much of the office. Although delayed, the efforts of our staff and contractors made sure that it looks better than ever.

Our main goal continues to be growth. Today's regulatory and competitive environments make it more and more difficult to survive as an organization if you do not continue to grow. The Board always looks for strategic growth that balances the commitment to our members and the personal level of service with the need to maintain the economies of scale needed to be competitive.

We also look to new technologies to add services or make our existing services more accessible. One big step is that in 2018, we expect to be able to cut the time needed to issue new or replacement debit cards significantly.

We also continue to reach out into the community and become more visible. Looking to serve in new ways, we have made our staff available at many events around the community this year and expect to add to that list this year. We have had speakers in the schools and even in the jail.

Thank you for your continued support of your credit union.

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

Coconino Federal Credit Union is still 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



Supervisory Committee Report

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. A member of the Supervisory Committee is also a member of the

Board of Directors.

To assist the Committee, we retained the services of CliftonLarsonAllen LLP (independent audit and accounting firm), to perform our annual supervisory committee audit as of June 30, 2017. This audit is required by the National Credit Union Administration. The Supervisory Committee is pleased to report that 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,

Dennis K. Lavin

Chairman

"Our main goal continues to be growth."

"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."

President's Report

It seems like I always start these reports saying we had a busy year, of course we did! Going forward you should expect every year was a busy year. Our mission of providing quality products and services, while returning value to our member owners, stipulates that we will always be busy. We are always looking for ways to improve, to offer more products and services, to streamline our current products and service, to make using the credit union more convenient, and to make sure our member owners' financial needs are met to the best of our abilities.

We accomplished many things. When I say "we" I mean the amazing credit union team members. They make the credit union what it is, they are the heart of the credit union. We started off 2017 with big plans to remodel the West Flagstaff and Page Office. We put the remodel for the Page office on-hold when the news of the shut-down of the Navajo Generating Station (NGS) in Page came out. The lease for NGS has now been extended until 2019 so we will move forward with an office refresh, instead of a full remodel while we sort out how the NGS shut-down will affect the Page economy. We completed a full remodel of the West Flagstaff office, twice, a few days after the remodel was complete, while the roof was being redone (*didn't want our new office to have any indoor water features as we had in the past*) a portion of the roof was left off while the roofers went to lunch, and a monsoon hit. Completely flooding the North side of the office, the new part, the part that was just completed.

2017 was the first year the credit union quit purchasing advertising space in print and on the radio (*not a big hit with advertising salesmen*), current members should not have to pay to for us to advertise for new members. Instead we invested part of that money into the community. We have a community committee, made up of employees from each office and a board member. The Community Committee looks for and votes on opportunities for volunteering and requests for donations. The credit union made donations to several worthwhile agencies and volunteered our time for several events for the Shadow's Foundation.

Coming up in 2018, we are expected to go live with Instant Issue for our VISA debit cards the first quarter of this year. We will be able to print, activate and set the PIN on a new fully functional debit card at each branch location. So next time your card is lost or stolen instead of waiting 7-10 business days for one to come in the mail, stop by an office and pick a new one up.

For the rest of 2018, we plan to stay busy, we are steadily growing, and we will continue to work in our community. We will not stop until as many people as possible experience the credit union difference at the only LOCAL financial institution that also happens to be the only not-for-profit cooperative based in Coconino County.

Jennifer R Harris

President/CEO



Investing in our community not advertising, that is what we do!

Coconino Federal Credit Union's Mission Statement

"People Helping People"

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

Statement of Financial Condition

December 31	2016	2017
ASSETS		
Loans to Members	\$ 39,252,458	\$ 43,804,356
Allowance for loan losses	(550,074)	(451,035)
Investments	24,309,246	24,682,107
Property and Equipment	2,125,442	2,354,196
Cash and Cash Equivalents	2,598,445	4,201,188
Other Assets	1,151,626	1,205,697
Total Assets	\$ 68,887,143	\$ 75,796,509
LIABILITIES		
Accts Payable/Accrued Exp	\$ 850,195	\$ 1,056,129
Members Share Accounts	61,759,573	67,671,111
Regular Reserve	1,614,110	1,614,110
Undivided Earnings	4,663,265	5,455,159
Total Liabilities	\$ 68,887,143	\$ 75,796,509
& Members' Equity		

Statement of Income

January 1 - December 31	2016	2017
Income		
Net Interest from Loans	\$ 2,028,195	\$ 2,185,089
Investment Income	317,059	382,212
Other Income	1,235,337	1,342,976
Total Income	3,580,591	3,910,277
Operating Expenses		
Comp. & Employee Benefits	1,137,749	1,211,214
Office Occupancy	237,898	260,910
Office Operating Expenses	954,973	1,067,767
Other Expenses	361,144	354,722
Total Operating Expenses	2,691,765	2,894,613
Income before Dividends	888,826	1,015,664
Provision for Loan Losses	(314,010)	(62,239)
Dividends to Members	(113,210)	(124,274)
	461,605	829,152
Non-Operating Income	10,000	-
Gain on Investments/ Gain on Sale of Assets	4,573	(37,258)
Total Net Income (Loss)	\$ 476,178	\$ 791,894

There are 8779 members in our credit union and they are all over the world.

Once a member always a member!

Find us on the web at

Coconinofcu.org

The .org tells you that we are a not-for-profit cooperative



Your savings federally insured to at least \$250,000 and backed by the full faith and credit of the United States Government

NCUA

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



EQUAL HOUSING OPPORTUNITY