

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.

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 account-

ing firm), to perform our annual supervisory committee audit as of June 30, 2018. 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

PRESIDENT'S REPORT

I can't believe it is 2019 already and I am starting my 35th year with Coconino Federal Credit Union! I guess it's true, time flies when you are having fun. I am very fortunate to love what I do, to have found a career that allows me to help people, our community, and to spend every day with an amazing group of people. When I started here, we only offered savings accounts and loans, we didn't add checking accounts until the next year. It has been remarkable to see all the changes we have made over the years; don't worry we have no intention of stopping! We will continue moving toward meeting our member's changing financial and technological needs.

We have new fun things in store for you this year, we are conscientiously working on bringing you more convenience, control, and peace of mind. We know we have been given a great responsibility to care for your money, your personal information, and to make sure you can securely access your account information. We do not take this responsibility lightly, security is always our top priority.

We appreciate your decision to 'bank' at the only local financial institution based in Coconino county, keep in mind local means all decisions are made by people, like you, who live and work in this community. "Bank Local" tell your family and friends, we don't advertise in print or on the radio, we rely on you to tell people about us. As you can see by the 2018 financials we have grown, all thanks to you and word of mouth advertising! Banking local means growing and supporting our community together! Some people think because we are local, we are unsophisticated or unadvanced, that is just not true we have all the same products and service the big guys do. Spread the word!

Jennifer R Harris

President/CEO



CHAIRMAN OF THE BOARD'S REPORT

To our owners, the members of Coconino Federal Credit Union

The Board of Director's role is to provide guidance and assist with a vision for the future. For the last few years, growth has been a prominent thread running through our planning. Growth is one of the biggest challenges to the Board and our credit union. To find balance between the growth needed to stay competitive and vibrant in today's financial environment and still maintain excellent service to our existing members. Both are important.

We are proud to say that 2018 continued our positive trend of successful growth and continued maintenance of a solid financial position. But growth also brings change. We must innovate and update our old, familiar ways of doing things. Change is certainly challenging, but it also gives us opportunity for progress. One of our accomplishments this year is that we can now issue new and replacement debit cards quickly while the member waits. This may seem like a small step, but few institutions of our size have that capability. We also continue to evaluate new electronic ways to pay bills and transfer money, both to other members, and for outside payments.

We all have experienced the hassles of dealing with big out-of-town companies; computer driven phone menus, and customer service representatives completely unfamiliar with our situation. We as a Board continue to strive to be personal, and to represent our members and Coconino county.

To stay in touch with our existing members, we have more Community outreach projects planned in 2019. In the past year, these projects have included support for first responders and veterans. These events provide visibility to potential members and interaction with our current members. Executives, staff, and board members will continue to look for additional ways to participate in our community.

Thank you for continuing to support your credit union. Without our members loyalty, the Credit Union would not exist.

Most important, I would like to thank all the employees and staff of Coconino Federal Credit Union, the members of the Board of Directors and the Supervisory Committee for their dedication and hard work in serving our members.

Coconino Federal Credit Union is still the only locally owned and operated Credit Union in Coconino County. 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

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Financials

Statement of Financial Condition

December 31	2017	2018
ASSETS		
Loans to Members	\$ 43,804,356	\$ 53,990,168
Allowance for loan losses	(451,035)	(702,458)
Investments	24,682,107	20,137,356
Property and Equipment	2,354,196	2,203,839
Cash and Cash Equivalents	4,201,188	4,905,717
Other Assets	1,205,697	1,295,369
Total Assets	\$ 75,796,509	\$ 81,829,991
LIABILITIES		
Accts Payable/Accrued Exp	\$ 1,056,129	\$ 814,315
Members Share Accounts	67,671,111	73,404,277
Regular Reserve	1,614,110	1,614,110
Undivided Earnings	5,455,159	5,997,290
Total Liabilities & Members' Equity	\$ 75,796,509	\$ 81,829,991

9,203

That's the total number of members your credit union serves. Once a member always a member!

Statement of Income

January 1 - December 31	2017	2018
Income		
Net Interest from Loans	\$ 2,185,089	\$ 2,483,145
Investment Income	382,212	432,958
Other Income	1,342,976	1,531,577
Total Income	3,910,277	4,447,681
Operating Expenses		
Comp. & Employee Benefits	1,211,214	1,350,203
Office Occupancy	260,910	282,226
Office Operating Expenses	1,067,767	1,185,024
Other Expenses	354,722	368,064
Total Operating Expenses	2,894,613	3,185,518
Income before Dividends	1,015,664	1,262,163
Provision for Loan Losses	(62,239)	(592,650)
Dividends to Members	(124,274)	(127,382)
	829,152	542,131
Non-Operating Income	-	-
Gain on Investments/ Gain on Sale of Assets	(37,258)	-
Total Net Income (Loss)	\$ 791,894	\$ 542,131



EQUAL HOUSING OPPORTUNITY

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

