

# 2021 ANNUAL REPORT

*Options Credit Union*

Together, we  
thrive

# 2021 YEAR IN REVIEW

**Sherry Espinoza, President/CEO**

**Dawn McKnight, Chairman**

For small credit unions it seems we have a constant uphill battle to be able to thrive and grow in support of our members. I think that we can all agree that 2021 wasn't exactly the year we thought it would be, and it is no secret that there is still an economic battle raging ahead for all of us. One thing COVID brought into this era is the constant need for more technology. At Options we provide a complete range of products to support you remotely: Call, text, chat, email, online banking, mobile banking, remote deposit, online loan payment options, bill pay, and fraud protection services. Some systems are more robust than others and we have heard your requests. In 2022/23 we are slated to launch some changes to our online and mobile banking platforms with upgraded functionality.

We may not be able to run million dollar foundations or contribute hundreds of thousands of dollars in donations to non-members to get our name in the news, but we do choose to invest wisely in our members. We make it a priority to keep fees low and rates even lower by controlling operational costs. When operational costs rise so must rates and fees just like at the grocery store, in 2021 however, we were able to grant over \$1.8M in loans for the benefit of our members at low rates thanks to your commitment in helping us to monitor and control debit card fraud. We saw a very impressive 96% reduction in fraud losses last year and while we can provide all of the tools available to monitor fraud, without members being active in that effort, they would be wasted resources. We were able to finally launch chip cards last year, and provided tools such as CardValet, to help you stop fraudsters in their tracks. This is a perfect example of when we work together we can thrive together.

Despite the challenges, we are so grateful to this credit union family, in 2021 we once again reached over 9% capital for the first time since the housing crash of 2008. We continue to work hard in service of our members. Our members are always top of mind with every decision we make, and we make it through challenging times by coming together and supporting one another.

# TREASURER'S REPORT

## Tim Gaffigan, Treasurer

Options Credit Union offers an alternative to traditional banks and even larger credit unions. Options Credit Union continued its focus in 2021 of connecting with members and helping them to navigate through the unprecedented environment of the coronavirus pandemic. This focus resulted in growth of our capital ratio, stability in our assets, strong lending and minimal delinquency. As stated in previous reports the greatest asset of Options Credit Union is the staff, with their continued hard work and the support of the volunteers, we look forward to being able to continue to serve each member/owner for years to come.

### Statement of Financial Condition December 31, 2020 and 2021

<b>Assets</b>		<b>2020</b>		<b>2021</b>
Cash and Cash Equivalents	\$	1,547,910	\$	719,582
Loans Receivable, Net of Allowance for Loan Loss		4,336,049		4,146,014
Accrued Interest Receivable		16,250		13,467
Furniture and Equipment, Net of Depreciation		14,592		7,349
Investments		32,000		32,000
Corporate Credit Union Deposits		22,487		22,487
NCUSIF Deposit		51,500		51,309
Prepaid Assets		9,162		11,631
<b>Total Assets</b>	<b>\$</b>	<b>6,029,950</b>	<b>\$</b>	<b>5,003,840</b>
<b>Liabilities and Members' Equity</b>		<b>2020</b>		<b>2021</b>
Liabilities	\$	19,686	\$	18,210
Member Shares		5,581,363		4,524,195
Regular Reserve		115,548		115,548
Undivided Earnings		313,353		345,888
<b>Total Liability and Equity</b>	<b>\$</b>	<b>6,029,950</b>	<b>\$</b>	<b>5,003,840</b>

### Statement of Income December 31, 2020 and 2021

		<b>2020</b>		<b>2021</b>
Loans Receivable	\$	288,651	\$	247,573
Investments		3,107		1,387
<b>Total Interest Income</b>		<b>291,758</b>		<b>248,960</b>
Members' Share		36,502		11,351
Borrowings		0		0
<b>Total Interest Expense</b>		<b>36,502</b>		<b>11,351</b>
Provisions for Loan Losses		3,966		14,723
<b>Net Interest Income After Provisions</b>		<b>251,290</b>		<b>222,886</b>
Fees		37,023		31,833
Other Income		25,215		27,621
<b>Total Non-Interest Income</b>		<b>62,238</b>		<b>59,454</b>
Employee Compensations and Benefits		121,370		131,551
Travel and Conference		257		752
Office Occupancy		25,857		19,911
Office Operations		69,773		56,023
Marketing		2,052		2,662
Loan Servicing		20,249		18,764
Professional and Outside Services		50,288		49,185
Operating Fee		594		591
Misc. Operating Expense		4,602		293
Non-Operating Inc/Exp		0		(29,926)
<b>Total Non-Interest Expense</b>		<b>300,042</b>		<b>249,807</b>
<b>Net Income</b>		<b>18,487</b>		<b>32,535</b>

# SUPERVISORY COMMITTEE REPORT

## Duanette Tendell, Chairman

The Supervisory Committee is responsible for ensuring that the Credit Unions financial records are in order and audited, and that internal controls are in place to protect the Credit Unions assets. The Supervisory Committee has accomplished this over the course of the past year through regularly scheduled audits as required by federal and state regulators, and by providing findings to the credit unions Board of Directors (“Board”) and Chief Executive Officer (“CEO”) and requiring action to address any identified issues as applicable.

The Supervisory Committee is currently comprised of two committee members and employs one independent external auditor to assist the committee in completing all of the required annual audits. The audits completed by the Supervisory Committee include quarterly and annual audit reviews, security risk analysis, Automated Clearing House (ACH) reviews, and Bank Secrecy Act (BSA)/OFAC audits. In addition to these audits, the Supervisory Committee also reviews and comments on internal credit union plans drafted by the Board (e.g. disaster recovery and business/strategic plans) for input. Additionally, the Supervisory Committee conducts a biennial membership audit, and reviews and assists in implementing any changes required by Colorado Division of Real Estate (“DORA”) and NCUA audits.

### **Summary of the Credit Unions Financial Condition:**

In fulfilling the audit and supervision function, the Supervisory Committee retained one independent audit firm, Waypoint, to assist with this year’s reviews.

The results of all Supervisory Committee audits and reviews concluded that the credit union is generally in a stable financial condition, and that current internal controls are correctly protecting member assets. There have been no adverse findings found in this year’s reports, and all recommendations were successfully addressed by credit union staff and the Board to the Supervisory Committees satisfaction. As in past years, the Supervisory Committee would like to thank the credit unions staff and the Board for their continued support, and for being responsive to Supervisory Committee requests. A complete copy of the credit unions balance sheet has been provided to the CEO.

