



2015

ANNUAL REPORT

AGENDA

1. Call to order
2. Determination of a 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 Director(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

Mike Brandt
Director

THE GREEN TEAM

Mike Brandt
President/CEO

Kathy Jankowski
Vice President - Operations

Jeff Nichols
Vice President - Lending

Jeanine Knapp
Sustainability Manager

Nancy Kuchenbecker
Loan Officer/Mortgage Specialist

Lisa Krause
Loan Officer

Eileen Roberts
Loan Processor

Kathy Tessen
Accountant

Missy Smith
Accountant

Brenda Prince
MSR Supervisor

Emily Wisnefske
Assistant MSR Supervisor

Chuck Nimke
Member Service Representative

Heidi Taylor
Member Service Representative

Felicia Lazic
Member Service Representative

Chloe Roddy
Member Service Representative

CREDIT UNION HOURS

DATE

LOBBY

DRIVE THRU

Monday-Wednesday	8:30 a.m.-5 p.m.	7:30 a.m.-6 p.m.
Thursday	8:30 a.m.-6 p.m.	6:30 a.m.-6 p.m.
Friday	8:30 a.m.-6 p.m.	7:30 a.m.-6 p.m.
Saturday	8 a.m.-12 p.m.	8 a.m.-12 p.m.

MINUTES OF THE ANNUAL MEETING

March 28, 2015

Chairman Lyle Mader called the Annual Meeting to order on March 28, 2015 at 12:30 p.m. at the Evergreen Credit Union office in Neenah, Wisconsin.

Secretary Barb Hartfiel informed the chairman that 25 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, Jeffrey Gehrke, Barb Hartfiel, Kurt Carpenter, and Mike Brandt. Andrew Fenwick and Keith Fischer were excused. CEO Brandt then took a moment to acknowledge Kitty Meyers' retirement from the board after 15 years of service. He then went on to introduce the team members that were present.

The minutes of the previous year's annual meeting were read. There were no questions or comments so the minutes were approved as read.

The following reports were printed in the annual meeting booklet:

- The President's and Chairman's Report
- The Treasurer's Report
- The Report of the Supervisory Committee Examination from Schenck, S.C.
- The Loan Officer's Report

CEO Brandt asked the members to take a few minutes to read each of them and ask any questions. Mike Brandt briefly discussed the President's and Chairman's Report. He pointed out that 2014 was another very strong year for the credit union financially. He also talked about the changes to ECU over the past 10 years since the move to the West American Drive location. Chairman Mader asked for a motion to approve the Supervisory Committee Examination report. A motion was made by Robert Allen and seconded from the floor. The motion carried. A member asked Mike Brandt about the credit union's delinquency rate and what causes it. Mike pointed out that delinquency is a natural part of lending money. Director Jeff Gehrke pointed out that our delinquency rate is less than half that of our peers and it is a great indicator that we are underwriting loans appropriately. A question came from the floor regarding the recent mergers of Lakeview CU, Best Advantage CU, and Citizens First (now Verve) and if ECU had any plans for a merger. "Absolutely not." was CEO Brandt's reply. He explained that there is no financial or any other reason for ECU to consider a merger.

Election Of Directors:

Rachel Williams introduced the nominees for the election: Lyle Mader and Andy Fenwick for three-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 Arden Tews. The motion carried. The directors were congratulated on their elections to the board.

MINUTES OF THE ANNUAL MEETING CONTINUED

Old Business:

There was no old business brought to the floor.

New Business:

There was no new business brought to the floor, however Mike Brandt pointed out that this meeting was in fact the 56th Annual Meeting, not the 57th as all the documentation stated. It appears as though some confusion happened after the 50th anniversary year. That would have been our 49th Annual Meeting, however the following year everything was labeled as our 51st Annual Meeting. He informed the members present that we will hold the actual 57th Annual meeting next year.

A motion was made by Marilyn Anunson and seconded from the floor 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



Solar array installation complete in November of 2015.

PRESIDENT/CEO AND CHAIRMAN REPORT

“

Cease being intimidated by the argument that a right action is impossible because it does not yield maximum profits, or that a wrong action is to be condoned because it pays.

”

- ALDO LEOPOLD, A SAND COUNTY ALMANAC

I particularly like this quote because it applies so well to both conservation and the mission of credit unions. The credit union movement was established more than 100 years ago because the banking industry had disregarded the working class as not profitable enough to serve. As a credit union, our core mission has always been to responsibly manage, protect, and grow the finances of our members. In addition, we believe in being a good corporate citizen in our community. That means, in part, we have a responsibility to manage, protect, and improve the environment we operate in for the benefit of our members and future members.

In mid-2014, the credit union leadership team approached the board with an idea to expand and promote the environmentally sustainable actions of the credit union. The board tasked the team to create an action plan that maintained our financial strength and our dedication to member service, while making strides to eventually become the most environmentally responsible credit union in the nation. The plan identified the following target areas: energy self-sufficiency, carbon neutral operations, water conservation, zero-waste operations, and employee and member education and engagement.

In the past year, the credit union has:

- **Hired a full-time sustainability manager.** We are the only credit union in the Fox Valley with a dedicated sustainability manager on staff. Her responsibilities include project management and increasing staff and member education and engagement.
- **Installed a rooftop solar array** that is expected to produce more than 85 percent of the credit union's annual electricity demand.
- **Achieved zero-waste operations** by diverting more than 90 percent of the credit union's waste from landfills. This was achieved through increased recycling, composting food waste on-site, and focused waste reduction efforts.
- **Met and exceeded our goal of carbon neutral operations.** The credit union now offsets more carbon than we produce through regular operations.
- **Installed ultra-high efficiency restroom fixtures** that will save approximately 9,000 gallons of water per year.

I am proud to say that in just one year we are the most environmentally responsible credit union in Northeast Wisconsin and most likely the entire state of Wisconsin. You can find more details on these and our other accomplishments in the Sustainability Report included in this annual report.

In an effort to spread the word about the great things we are doing here, the credit union has partnered with Candeo Creative, a marketing firm located in Oshkosh. They are assisting the credit union with creating a consistent brand and marketing message to share our accomplishments and attract new members. Much of 2015 was used to establish the new brand, look, and feel. The early marketing has been done primarily

PRESIDENT/CEO AND CHAIRMAN REPORT CONTINUED

through social media, with plans to expand into radio and direct mail marketing in 2016. We are excited about this partnership and the potential new growth it could bring us in 2016.

Financially, 2015 was another great year for the credit union. Income for the year was a record setting \$330,775; nearly reaching the gold standard of 1.0 percent return on assets. Only two credit unions in the Fox Valley had a higher return on asset ratio than ECU did in 2015, and both of those credit unions are over a billion dollars in assets. Assets grew more than 10 percent, loans to members increased by more than \$1 million, and deposits increased by almost \$3 million. Overall, ECU is one of the healthiest credit unions under \$100 million in assets in the state of Wisconsin. You can find more details regarding the financial condition of the credit union in the Treasurer's Report and the Statement of Condition/Statement of Income included in this annual report.

Finally, I would like to take a moment to thank the credit union's amazing team of employees and the dedicated volunteer board of directors. I regularly speak with CEOs of other credit unions around the state and they ask me how we are able to be so successful in an area with such heavy competition (including three credit unions that are over a billion dollars in assets). My reply is always the same: I have a great team of employees and a forward thinking board that leads without standing in the way. Without them, there is no way the credit union would be as successful nor would we be able to implement our ambitious sustainability plan.

Respectfully submitted,

Michael Brandt
President/CEO

Lyle Mader
Board Chairman



Our 2015 group volunteer project was cleaning the railings and lights at the Island Shores Trail and Shattuck Park.

TREASURER'S REPORT - 2015

Key Financial Benchmarks:

	2015	2014	Increase/Decrease
Assets	\$33,652,911	\$30,470,099	+ 10.5%
Loans	\$25,025,651	\$24,002,133	+ 4.3%
Member Shares (Deposits)	\$29,422,348	\$26,691,955	+ 10.2%
Profit/Loss	\$330,775	\$245,923	+ \$84,852

The string of strong performance years for our credit union continued in 2015. All key financial areas were strong again in 2015 as our operating philosophy, policies, processes, and strong management team continued to work well while handling the variety of issues and market conditions we encountered.

Key Financial Measures for 2015:

All key areas tracked in the normal-to-excellent range for the year.

- **Net Profit of \$330,775** - 2015 was an all-time record year for ECU, beating last year's record by nearly \$85,000. The strong performance reflected increased income in all categories, offsetting increased expenses.
- **Return on Assets (ROA) of .98%** - A great performance placing our credit union in the top three credit unions for this ratio in the Fox Valley area.
- **Net Worth of 11.9%** - We maintained strong asset quality as a strong growth of assets was balanced with a nice income growth.
- **Total assets up 10.5%** - Strong growth of \$3.18 million occurring in both loans to members and investments.
- **Loans to members increased 4.3%** - Loans increased just over \$1.0 million.
- **Loan Delinquency of .68%** - We continued to have a lower delinquency rate than our peers, even though it increased slightly from 2014's level of .42%.
- **Member shares up 10.2%** - Our members continued to house their funds in safety with us, but did it at a much more aggressive rate than prior years.
- **Membership down 14 or .4%** - This was the first time in a number of years we did not grow our membership. We ended the year with 3,263 members as compared to 3,277 the year before.

Your board of directors and management team see challenges ahead in 2016 due to the usual economic uncertainties, a challenging interest rate environment, and competitive pressures. However, we are tackling these issues head-on and are confident we will be successful fulfilling our mission to serve you. We look forward to growing and serving the needs of our members in 2016, because we are "Naturally, A Better Financial!"

Respectfully submitted,

Jeffrey Gehrke
Treasurer

STATEMENT OF CONDITION

ASSETS

Cash	2015	2014
Investments	\$252,338	\$300,936
Personal Loans	\$6,007,111	\$4,824,786
Mortgage Loans	\$11,697,242	\$11,438,528
Loans Held for Sale	\$13,328,409	\$12,563,605
Allowance for Loan Losses	\$1,079,525	\$182,834
Building and Land*	\$(126,446)	\$(186,150)
Furniture and Equipment*	\$1,228,617	\$1,118,287
Other Assets	\$65,348	\$89,231
	\$120,767	\$138,043

Total Assets	\$33,652,910	\$30,470,099
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LIABILITIES AND RESERVES

Regular Savings Accounts	2015	2014
Checking Accounts	\$10,679,534	\$9,331,421
Money Manager Savings	\$4,385,312	\$3,487,587
Certificates of Deposit	\$8,583,002	\$8,342,671
IRA Accounts	\$4,452,419	\$4,239,358
Other Liabilities	\$1,322,080	\$1,290,917
	\$230,043	\$108,399

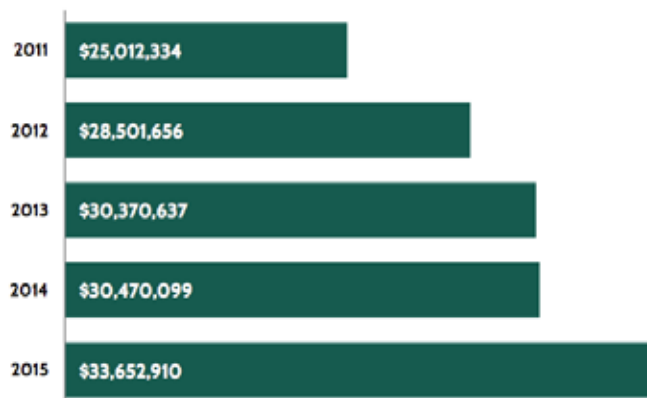
Total Liabilities	\$29,652,391	\$26,800,354
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Regular Reserves	\$1,957,888	\$1,957,888
Other Reserves	\$2,042,631	\$1,711,856

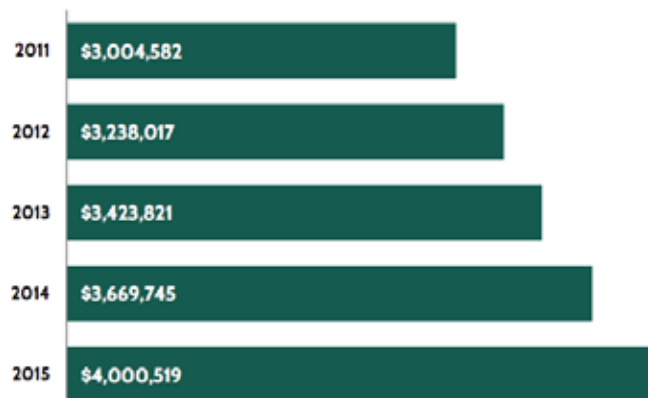
Total Reserves	\$4,000,519	\$3,669,745
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Total Liabilities & Reserves	\$33,652,910	\$30,470,099
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Assets



Reserves

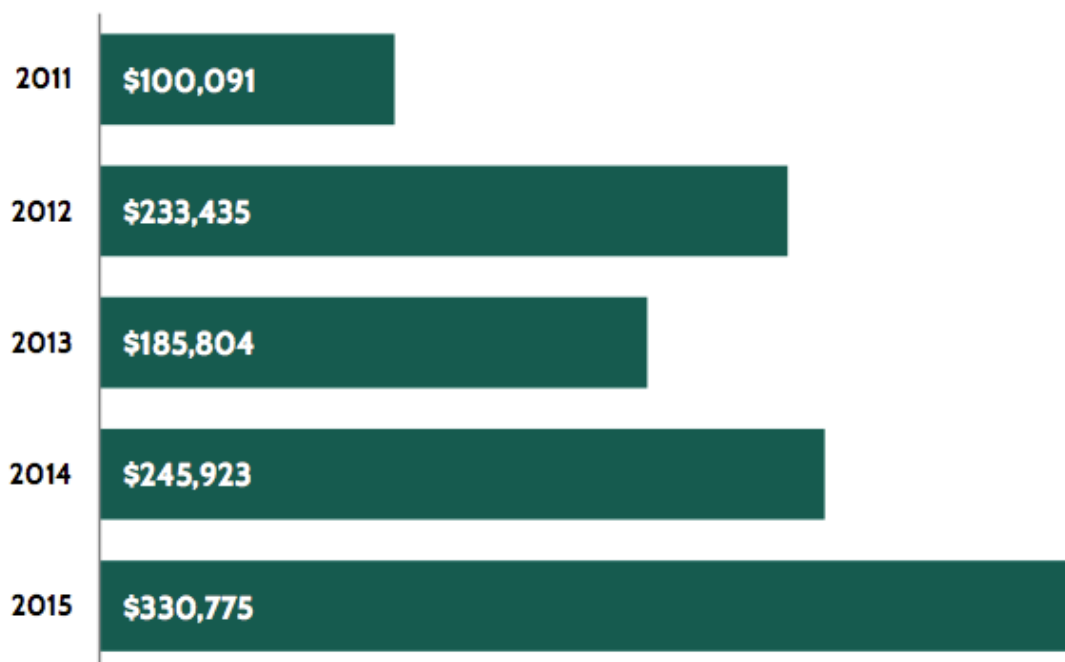


* Net after accrued depreciation

STATEMENT OF INCOME

INCOME	2015	2014
Interest from Loans	\$1,193,636	\$1,153,426
Investments	\$60,447	\$53,520
Other Income	\$360,633	\$301,161
Total Income	\$1,614,716	\$1,508,107
EXPENSES	2015	2014
Salaries and Benefits	\$657,349	\$628,789
Building Costs	\$86,097	\$94,358
Office Operations	\$327,362	\$290,199
Provision for Loan Losses	\$(8,800)	\$40,100
Other Expenses	\$133,922	\$123,789
Total Operating Expenses	\$1,195,930	\$1,177,234
Income Before Dividends	\$418,786	\$330,873
Non-Operating Income/Loss	-	\$209
Dividends Paid to Members	\$(88,011)	\$(85,159)
Net Income	\$330,775	\$245,923

Income



SUPERVISORY AUDIT REPORT



To the Board of Directors and Members
Evergreen Credit Union

Part 715 of the NCUA Rules and Regulations require a credit union to obtain a supervisory committee examination. We have performed certain agreed-upon procedures, which were agreed to by management and the Board of Directors of Evergreen Credit Union, solely to assist you in performing your supervisory committee examination as of June 30, 2015. The following is a listing of areas to which certain agreed-upon procedures were performed:

- Internal controls for: Teller Controls, Dormant Accounts, Share File Maintenance, and Wire Transfers.
- General Ledger.
- Bank Reconciliations.
- Teller Summary Sheets.
- Loans (Reconciliation, Approval and Processing, Loan File Maintenance, Delinquencies, and Accrued Interest Receivable).
- Allowance for Loan Losses.
- Regular Reserve, Undivided Earnings and Reserves for Contingencies.
- Investments.
- Share Accounts (Reconciliation, Overdrafts, Accrued Interest Payable).
- Other Assets/Liabilities.
- Board Minutes.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on Evergreen Credit Union's financial statements or specified elements, accounts or items thereof. Accordingly, we do not express such an opinion. Also, we express no opinion on the effectiveness of Evergreen Credit Union's internal control structure over financial reporting or any part thereof. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. For purposes of this report, management has agreed that our judgment was relied upon to determine if any finding were immaterial and, accordingly, have not been included in the summary of procedures performed and finding.

A complete copy of the Limited Examination Report, including procedures performed, results of testing, and recommendations is on file with the Board of Directors.

SCHENCK SC

Certified Public Accountants
September 1, 2015



2015 SUSTAINABILITY REPORT

Evergreen Credit Union (ECU) is on a mission to be the most environmentally responsible credit union in the nation while continuing to provide amazing service to our members. In 2015, the credit union fully embraced that mission and celebrated achievements that bring it closer to reality. In 2014, ECU developed and began implementation of a three-year plan for reaching the identified environmental responsibility goals. The plan addressed five focus areas: zero waste, carbon neutrality, energy self-sufficiency, water conservation, and employee and member engagement and education. Key achievements in the focus areas are identified below.

Energy Self-Sufficiency

In 2015, Evergreen's core strategy in energy self-sufficiency was to continuously look for and implement energy saving products and processes to lower overall energy consumption. ECU achieved and exceeded this goal.

- **Completed on-site solar energy installation.** ECU is expected to produce enough energy to meet 85 percent of the credit union's annual electricity needs.
- **Achieved EPA Energy Star building certification.** Energy Star certified buildings use 35 percent less energy overall than their noncertified counterparts. ECU is in the top 10 percent of Energy Star rated buildings nationally.

Carbon Neutral

The core strategy to be a carbon neutral operation is to develop products and processes to reduce the carbon emissions generated by ECU and our members. The goal is to offset 100 percent of the carbon generated by our operations. ECU achieved and exceeded this goal.

- We established our 2014 carbon footprint through CarbonFund.org at 107 metric tons of CO₂. This amount included emissions from employee commuting and paper usage.
- We continued our corporate partner status with the Arbor Day Foundation to plant trees in state and national parks. Between 2014 and 2015 the credit union donated funds to the foundation to plant more than 5,000 trees.
- The credit union reduced internal paper usage by 30 percent in 2014, which exceeded the goal by 5 percent.

Water Conservation

In 2015, we installed ultra-high efficiency restroom fixtures that will reduce our water usage by approximately 60 percent.

2015 SUSTAINABILITY REPORT CONTINUED

Zero Waste

The Environmental Protection Agency defines “zero waste” as keeping at least 90 percent of generated waste materials out of the landfill. In 2014, ECU diverted an estimated 62 percent of waste from the landfill. In 2015, the credit union reached 90 percent landfill diversion of all waste materials.

- The credit union established a partnership with a local farmer to compost used paper toweling. This partnership reduced our landfill waste by 20 percent (solid waste is measured by weight).
- We initiated a Trex Community Challenge with the Town of Menasha Sustainability Committee. ECU collected more than 1,200 pounds of plastic bags and other plastic materials for recycling in 2015.

Employee Engagement

One of our goals was to develop ways to inform our community about the new vision for ECU. A key factor in this strategy is staff development. Employees began training with a variety of environmental responsibility topics and met personal knowledge milestones that will ultimately benefit member experiences with the credit union.

The credit union staff began development activities to build knowledge about the identified core strategy areas. Employees can earn time off work by completing various educational challenges.

Summary

Evergreen Credit Union met or exceeded all goals established for 2015 in all identified target areas. We will continue to work on the original action plan while looking for new and innovative ways to keep improving the credit union's environmental footprint.



We partner with the Fox Valley Humane Association to have adoption events each month at the credit union.



Each year ECU and our members team up to donate hundreds of dollars in school supplies to the Community Clothes Closet's "Cool for School" program.

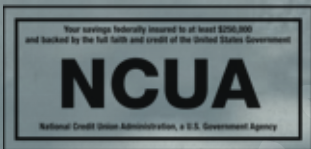


First solar panels went up on October 27, 2015.



WE SPONSOR MANY TOWN OF MENASHA EVENTS LIKE THE FILTHY FUN KIDS RUN, MOVIE IN THE PARK, AND THE SUMMER SAFETY NIGHT, JUST TO NAME A FEW.





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EvergreenCU.com

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