

board of **directors**

Mike Bertagnolli | Mike Williams
Kristin Bouchard | Stefanie Griffith
Josh Knoedler | Lyle Manley
Chris Lemon

supervisory **committee**

DT Thompson | Gaylen Black
Nicole Jabuat | Jeaneen Campbell
David Stordahl

executive **management**

Steve Sendon **President/CEO**
Matt Stolle **VP-Finance/CFO**
Dean Olsen **VP-Information Technology**
Erin Johnston **VP-Project Change**
Cyrus Malkin **VP-Risk Management**
Brandi Mergenthaler **VP-Operations**
Holly Lane **VP-Human Resources**
Lesley Huber **VP-Lending**

rmcu **locations**

HELENA

1820 11th Avenue
3400 N. Montana Avenue
406.449.2680

BOZEMAN

8645 Huffine Lane
406.586.1505
1840 Baxter Lane
406.602.4800

BELGRADE

90 W. Madison Avenue, Ste. A
406.586.1505

BUTTE

2101 Yale Ave
406.723.5381



*By member's choice, this institution is not federally insured. Each account is insured up to \$250,000.

www.rmcu.net



Our Mission

To provide financial service relationships of lasting value that exceed member and community expectations and reward members for their loyalty.

**ANNUAL
REPORT TO
MEMBERSHIP**



Chairman’s Report

I am proud to report to you as your Chairman of the Board of Directors that during 2019, RMCU witnessed another year of strong income and growth. Your Board and staff continue to move Rocky Mountain Credit Union in the direction of building member relationships through quality products and services our members need.

By year-end, RMCU’s assets increased \$19.6 million through internal growth. The credit union now has total assets of \$264,444,296. Total membership grew 464 members to bring the end of year number to 22,079 members. Our credit union staff continues to build strong financial relationships with all of our members and this effort is driving our growth. Net income for 2019 was \$1,188,236 and yielded a return on average assets of .47%.

Throughout 2019, the Board and staff continued to strengthen our commitment to help our members with their finances by providing them the products and tools they need to manage their lives. Once again, thank you for being a member of Rocky Mountain Credit Union.

Kristin Bouchard
Chairman of the Board

FINANCIAL STATISTICS	2019	2018
Loans Granted	\$106,024,619 3,605	\$124,399,818 4,273
Members	22,079	21,615
Avg. Outstanding Loan	\$15,660	\$13,183
Avg. Share Balance	\$10,365	\$9,800

President’s Report

2019

December 31, 2019 marked the conclusion of my first year as your CEO. I am pleased to report to you that 2019 was another successful year for the credit union.

In 2019, the credit union team continued to deliver outstanding member service while attaining goals set by our board of directors and management team. Our staff provided products and services to 22,079 members in our service areas all while continuing to grow our institution. In the early part of 2019, we successfully completed a joint credit union examination that encompassed a review from both the State of Montana and our private share insurance company, American Share Insurance. I am proud to report this exam confirmed that your credit union is performing in a safe and sound manner.

The credit union continues to bring pertinent financial information to our members through our web site with content covering many different topics. Internally, our training efforts continue on a daily basis enabling our team to service member needs from the first day they began to work at the credit union. This training, along with our ongoing training programs, serve to strengthen the knowledge all of our staff, including our more seasoned staff members. Training and development continues to be a priority for us at RMCU and is a necessary component of our actions in a constantly changing financial world.

Financially, 2019 was another solid year. Our loan portfolio continued to improve and loan losses remain lower than our peer credit unions. 2019 was a challenging

year as interest rates moved higher to start the year but then fell dramatically by year end. This created some challenges for the credit union in the budgeting process and the low rate environment will be a challenge moving into 2020.

Our net income in 2019 is \$1,188,236 which represents a Return on Average assets of .47%. This was a small decline from 2018, attributable to declining interest rates. Net income dropped our Capital to Assets ratio to 9.52%, which is still a strong figure.

Total dollars lent to members in 2019 equaled \$106,024,619 to 3,605 members. The loan portfolio increased \$16 million, which resulted in a growth percentage of 7.94%. The loan to share ratio ended the year at 95.21% or 95 cents of every deposit dollar was invested in loans to members in 2019. Our assets increased \$19.6 million during the year, while shares grew \$17 million. Net new member growth in 2019 was 2.1% or 464 new memberships resulting in a total membership of 22,079 by year-end.

As we prepare for 2020, I am able to reflect back on 2019 with pride. It was a year of transition as I took over a leadership position that was held by Ed Stofko for over 11 years. Ed did a fantastic job as CEO and laid the foundation for future success. I thank him for his service, his mentorship, and his friendship.

Finally, I wanted to say THANK YOU for choosing Rocky Mountain Credit Union as your financial institution. This organization functions to serve your financial needs and we thank you for your support.

Sincerely,
Steve Sendon,
President/CEO

Supervisory Committee Report to the Membership

April 10, 2020

The Supervisory Committee of the Rocky Mountain Credit Union is charged with overseeing the RMCU audit processes and ensuring management adequately addresses the findings noted in these audits. Montana Code requires the Committee to “make or cause to be made a comprehensive audit of the books and affairs of the credit union” and to “submit a report of that audit to the Board of Directors and a summary of that report to the members at the next annual meeting of the credit union”.

The Supervisory Committee contracted the CPA firm of Moss Adams, LLP, to audit the statements of financial condition of Rocky Mountain Credit Union as of December 31, 2019 and 2018, and the related statements of income, comprehensive income, changes in members’ equity, cash flows and related notes to the financial statements for those years. The Supervisory Committee is pleased to note the Moss Adams Report, dated 31 March 2020, found RMCU financial statements present fairly, in all material aspects, the financial position of Rocky Mountain Credit Union and the results of its operations and cash flows, in accordance with accounting principles generally accepted in the United States. No material deficiencies were found during this comprehensive audit. The Moss Adams report made note of several opportunities for improvement in the category of “Internal Control of Financial Reporting”. RMCU management is in the process of developing and implementing appropriate improvements to address each area outlined in the report. The Supervisory Committee is charged with monitoring progress throughout this process.

In a related item, the Supervisory Committee is encouraged by the renewed focus and active support of the Board, CEO and Staff to improve the Supervisory Committee’s ability to fulfill its critical statutory role in overseeing RMCU’s internal and external audit processes. This renewed focus will ensure already strong processes and controls become even stronger as we move into 2020 and beyond.

Supervisory Committee Members
DT Thompson, Gaylen Black, Nicole Jabuat,
Jeaneen Campbell, David Stordahl

Our Vision

Providing premier financial services that cause our members to think of RMCU first.

ASSETS	2019	2018
Consumer Loans	\$114,143,788	\$107,655,614
Real Estate Loans	\$92,510,809	\$80,648,136
Member Business Loans	\$11,224,501	\$13,549,550
Total Loans	\$217,879,098	\$201,853,300
Loan Loss Allowance	\$981,463	\$1,378,826
Net Total Loans	\$216,897,635	\$200,474,474
Cash & Cash Equivalents	\$15,962,545	\$14,751,446
Investments	\$9,418,638	\$6,871,823
ASI/NCUSIF	\$2,753,641	\$2,700,247
Property & Equipment	\$12,414,094	\$12,863,169
Other Assets	\$6,997,743	\$7,121,806
Total Assets	\$264,444,296	\$244,782,965
LIABILITIES & EQUITY		
Notes Payable	\$6,724,617	\$5,460,591
All Other Liabilities	\$3,697,392	\$3,513,409
Member Shares & Deposits	\$228,842,957	\$211,818,549
Regular Reserves	\$6,037,244	\$6,037,244
Equity Acquired in Merger	\$3,018,313	\$3,018,313
Accumulated other Comprehensive Income	673	-
Undivided Earnings	\$16,123,100	\$14,934,859
Total Liabilities & Equity	\$264,444,296	\$244,782,965
INCOME		
Loan Interest Income	\$10,042,901	\$9,335,498
Investment Income	\$322,260	\$283,320
Non-Interest Income	\$3,468,537	\$3,817,857
Total Income	\$13,833,698	\$13,436,675
EXPENSES		
Dividends Paid	\$1,740,991	\$976,205
Interest on Borrow Funds	\$150,428	\$107,337
Provisions for Loan Losses	\$204,500	\$788,500
Non-Interest Expense	\$10,549,543	\$10,193,056
Total Expenses	\$12,645,462	\$12,065,098
Net Income	\$1,188,236	\$1,371,577