



Fitzsimons

A PARTNERING CREDIT UNION

2019

ANNUAL REPORT

FROM THE CHAIRMAN AND CEO

2019 was a year of innovation for Fitzsimons Federal Credit Union, and all decisions made regarding technology and service offerings were made with your best interests in mind. As a partnering credit union, we work to support you on your financial journey, and we thank you for taking part in ours as we work to become the best credit union for our community. We look forward to growing our partnership with you in the year 2020!

HIGHLIGHTS

Technology

- Members can make a loan payment from a non-Fitzsimons account more easily than ever with the **loan payment portal**.
- We **upgraded all our ATMs** and added an additional machine on the Anschutz Campus, inside the Fitzsimons building (a.k.a. Building 500).
- Updates were made to our **online loan and membership application portal** to streamline the new account and lending processes. Both are now available in Spanish.
- Members have a safe and convenient way to send money to friends and family using **Zelle®**.
- Fitzsimons debit cards moved to the digital wallet through providers like **Apple Pay®, Google Pay™** and **Samsung Pay®**.

Growth

- We contracted with **Kasasa** to offer new, innovative checking account products. These free reward-based accounts will roll out in Q1 of 2020 and are designed to help our members reach their financial goals while growing the credit union's deposits.
- **39% of our staff is bilingual in English and Spanish** (up from 33% in 2018). We strive to represent the Aurora community we serve.
- We continued to see an **increase in loan volume (10.85%) and interest income (4.96%)**.



ROBERT FRYBERGER
President/CEO

On behalf of the board of directors and the staff of Fitzsimons Credit Union, we thank you for your continued support. It is our privilege and honor to serve you.

OUR 2020 VISION

Banking that "Fitz" you

- **Self-service wire transfers** will give members the ability to move funds quickly and securely.
- **Loan payment text reminders** help members to avoid missed due dates and late fees.
- **A website redesign**, that's easy to navigate on any device, including phones and tablets.
- **Live chat** on our website will give members a more convenient way to reach our communication center team and will reduce operation costs.
- Launch of a **new credit card program** will offer greater lending options to our members and expand our product offerings.

Partner to the community

- We value the diversity in Aurora and within our membership. As part of our commitment to our community we will work to support a variety of cultural events, program sponsorships, and community partnerships.
- Financial literacy continues to be an issue across the nation. We will work to assist our community to become better-educated consumers by offering financial literacy workshops and programs, digital calculators, and online resources that members can access at their convenience.



LYLE R. ARTZ
Board Chair

BOARD OF DIRECTORS



Lyle R. Artz, Chair

Mr. Artz has been serving on the board since 2010. He was previously a volunteer for 6 years on the Supervisory Committee. He is retired from the U.S. Military and currently works for the Fitzsimons Redevelopment Authority.



Robert G. Fritsch, Vice Chair

Mr. Fritsch has been a member for over 31 years. He was appointed to the Board of Directors in 2015 and previously served on the Supervisory Committee. He is retired from the U.S. Military.



James L. Dye, Treasurer

Mr. Dye has been supporting the credit union as a volunteer for over 30 years, before he served on the board, he was the Supervisory Committee Chair. He is retired from the U.S. Military and Civil Service.



Demetria M. McNeal, Secretary

New to the board in 2019. Dr. McNeal is a research scientist with an academic appointment in the School of Medicine on the University of Colorado Anschutz Medical Campus. She also volunteers with the Food Bank of the Rockies.



Judy A. Thomas, Director

Ms. Thomas has been a member of the Supervisory Committee since 2011 and has been on the board since 2017. She has worked for over twenty-five years in all facets of financial and management accounting. She is a Certified Public Accountant, licensed in Colorado.

In Memoriam:

*George H. Touchard, Jr.
(1941-2020).*



For over 30 years, George volunteered his time to serve on Fitzsimons Credit Union's Supervisory Committee and Board of Directors. His work and dedication to Fitzsimons will long be remembered.

20

backpacks filled with school supplies for children in need in our community.



\$2,500

raised for community organizations: Children's Hospital Colorado, Comitis, Aurora Public Schools, and Aurora Rotary Club.



16

community events and financial literacy events were sponsored by Fitzsimons Credit Union.



\$6,500

in scholarships and sponsorships were awarded to 9 deserving students in the community.



4,000

pounds of recyclable materials were saved from landfills through our recycling program.

SUPERVISORY COMMITTEE REPORT

The National Credit Union Administration (NCUA) requires that the supervisory committee ensure that the board of directors and management of Fitzsimons Federal Credit Union (FFCU) meet required financial reporting objectives and establish practices and procedures sufficient to safeguard members' assets. In satisfying this requirement, the supervisory committee assures that (1) internal controls are in place and effectively maintained, (2) accounting records and financial reports are accurate, and (3) plans, policies and controls are properly administered by the board to safeguard against error, conflict of interest, self-dealing and fraud.

First engaged in 2016, Doeren Mayhew CPAs, conducted the 2019 annual opinion audit and expressed an unqualified opinion on the credit union's financial statements for the period ending September 30, 2019. The purpose of the opinion audit is to review the credit union's accounting records and financial reports in accordance with auditing standards generally accepted in the United States of America. Those standards require that the auditors plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement. A component of the opinion audit includes performing a verification of members' accounts against the credit union's records. The independent auditors' report indicates the audited financial statements as of September 30, 2019, present fairly, in all material respects, the financial position of the credit union.

The unaudited financial statements as of December 31, 2019, as listed in the annual report cannot be verified by the supervisory committee; however, there have been no material changes in accounting policies or management of the credit union that would cause concern.

In addition to the annual opinion audit, the supervisory committee engaged Holben Hay Lake Balzer CPAs, a Division of SingerLewak, to conduct quarterly audits of the credit union's internal controls. Internal controls include operating procedures, staff structure and other measures within the credit union to safeguard member assets, ensure the accuracy and reliability of accounting data, and compliance with board policies. Good internal controls minimize the possibility of undetected fraud and errors.

INDEPENDENT AUDITOR'S REPORT

To the Members of Fitzsimons Credit Union
Aurora, Colorado

We were engaged by Fitzsimons Credit Union to perform an independent audit of the Credit Union's financial statements for the year ended September 30, 2019. We have issued our independent auditor's report dated January 20, 2020.

In the independent auditor's report we expressed an unmodified opinion on the Credit Union's financial statements. An unmodified opinion states that the financial statements present fairly, in all material respects, the financial condition of the Credit Union as of September 30, 2019 and the results of its operations and cash flows for the year then ended.

A full copy of the independent auditor's report and audited financial statements is available from the Credit Union upon request.

Sincerely,

Doeren Mayhew

Doeren Mayhew
Miami, FL



Your credit union received a variety of audits/examinations in 2019, that were reviewed by the supervisory committee. I am pleased to report there were no material misstatements or findings as a result of those audits or examinations. Management cooperated fully with the supervisory committee, examiners and auditors. They responded promptly and seriously considered any recommendations that resulted from these audits/examinations.

It has been a pleasure serving the FFCU membership. Additionally, we thank the board of directors, the management and staff for their support and cooperation in assisting the supervisory committee carry out its responsibilities to the membership.

Elizabeth Stone Brauer

ELIZABETH S. BRAUER
Supervisory Committee Chair

TREASURER'S REPORT

Fitzsimons Credit Union finished 2019 with strong loan growth and an improved return on assets ratio, compared to 2018. The credit union remained well capitalized for 2019 with a net worth ratio of 12.68% which was well above the 7.00% minimum threshold to be considered a well-capitalized credit union by the National Credit Union Administration (NCUA). A strong net worth position provides the credit union a solid foundation to offer its members competitive products and services.

Having a sound lending program is crucial toward meeting the credit union's financial goals and the needs of our members. Loans are a critical element of Fitzsimons' financial performance because they provide a majority of the credit union's interest income. In 2019, total loan balances increased over 10.85%, and loan interest income increased by 0.64% from the previous year, providing revenue for operating expenses, loan losses and dividends for the membership. Fitzsimons continues to offer competitively priced lending options and we regularly work with members in need of financial assistance.

Deposit growth continues to be an important focus for Fitzsimons to sustain loan growth. In 2019 there was a slight increase in deposit growth of 0.89%, but investment liquidity also served as a primary liquidity source for meeting loan demand.

Looking into next year, our main area of focus will be to balance deposit and loan growth while minimizing loan losses and managing expenses. The Federal Reserve lowered the target Federal Funds rate three times during 2019, with more rate changes predicted to come in the near term. Regardless of the trajectory of future interest rates, the credit union remains committed to operating soundly and serving our membership. Your board and management make operating a safe and financially sound credit union a high priority by preserving the credit union's strong net worth position by not taking unwarranted risks. We thank our member-partners for their continued support and loyalty.

Sincerely,

James Dye

James L. Dye
Board Treasurer



880 members
signed up for our free
credit monitoring service



2,201 members got
into the car of their dreams



402 members
helped save the planet by
signing up for eStatements



108 members utilized the
Partners Instant Cash (PIC)
loan over pay day lenders

STATEMENT OF FINANCIAL CONDITION

12/31/19

Assets

Total Loans	150,468,621
Allowance for Loan Losses	(3,275,641)
Net Loans	147,192,980
Cash and Investments	29,112,272
Fixed Assets	7,469,910
Share Insurance Capitalization Deposit	1,521,448
All Other Assets	7,591,969
Total Other Assets	16,583,328

Total Assets

\$ 192,888,580

Liabilities, Shares & Equity

Accounts Payable & Other Liabilities	8,974,918
Share Savings	61,702,548
Draft Checking	37,781,714
Money Market Shares	20,645,603
Share Certificates	31,853,038
IRA Shares & Certificates	7,376,712
Total Shares & Certificates	159,359,616
Regular Reserve & Undivided Earnings	24,449,674
Unrealized Gain/(Loss) on Investments	104,372
Total Net Worth & Unrealized Inv Loss	24,554,046

Total Liabilities, Shares & Equity

\$ 192,888,580

STATEMENT OF INCOME

12/31/19

Interest on Loans	8,465,368
Income from Investments	781,339
Total Interest Income	9,246,707
Dividends on Shares	706,625
Interest of Borrowed Money	169,491

Total Interest Expense

876,117

Net Interest Income Before Provision	8,370,590
Provision for Loan Losses	(1,711,898)

Net Interest Income After Provision

6,658,692

Non-Interest (Operating) Expense	7,062,333
Fee & Other Operating Income	2,197,180

Total Non-Interest Income

1,793,539

Gain (Loss) on Disposition of Assets	71,719
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Net Income

\$ 1,865,258

BOARD OF DIRECTORS

Lyle Artz, *Chair*
Robert Fritsch, *Vice Chair*
Demetria McNeal, *Secretary*
James Dye, *Treasurer*
Judy Thomas, *Director*
Thomas Smith, *Director Emeritus*

SUPERVISORY COMMITTEE

Elizabeth Stone Brauer, *Committee Chair*
Anthony Briseño, *Committee Secretary*
Judy Thomas, *Committee Member*
Chesca Millstein, *Committee Member*
Alicia Newton, *Committee Member*

EXECUTIVE & MANAGEMENT TEAM

Robert Fryberger, *President/Chief Executive Officer*
Nina Myers, *Senior Vice President*
Jennifer Green, *Vice President Finance*
Andrey Parshenkov, *Vice President Information Technology*
Cheri Prochazka, *Vice President Human Resources*
Alisha Stansall, *Vice President Operations*
Elizabeth Rettig, *Vice President Risk Management*

LET'S CONNECT

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Federally insured by NCUA



Fitzsimons
A PARTNERING CREDIT UNION
That's what partners are for.