



2020

ANNUAL REPORT



Fitzsimons

A PARTNERING CREDIT UNION

FROM THE CHAIRMAN AND CEO

It is no news by now that 2020 was dominated by the global COVID 19 pandemic and the accompanying economic fallout. While no one could foresee this crisis, Fitzsimons Credit Union was able to quickly respond to the needs of our members once businesses began shutting down and members started getting their paychecks cut or losing their jobs entirely. As an employer, Fitzsimons Credit Union responded to the crisis by limiting in-branch lobby traffic, having more staff work remotely from home, doubling the size of our call center staff, and adopting CDC recommendations such as social distancing and wearing masks in efforts to protect our employees. We are proud to say that none of our staff was laid off because of the pandemic which was critical in that Fitzsimons Credit Union was able to react and roll out member pandemic relief programs such as loan payment deferrals, loan assistance, and waivers of early withdrawal penalties. The loan payment deferrals included three months of no payments and no fees on auto loans, and interest-only payments on home equity loans for three months. Our loan assistance program consisted of offering signature loans up to \$2,000 with no payment due for 90 days, low interest rates, and no minimum credit score or income required to qualify. As of Dec 2020, we have provided 214 assistance loans worth \$419,000 and have extended 1,100 loan deferrals to assist members during this challenging time.

Despite a focus on shifting resources and processes in response to the pandemic, Fitzsimons Credit Union was still able to recognize some successes during the year. In September 2020, our regulators granted us an amendment to our Charter to expand our field of membership. The amendment is the first significant change in over 21 years when we first changed our Charter in response to closure of the Fitzsimons Army Medical Center.

Our amended Charter, Section 5 now reads:

"The field of membership shall be limited to those having the following common bond: 1. Persons who live, work, worship, or attend school in, and businesses and other legal entities located in Adams, Arapahoe, or Denver Counties; spouses of persons who died while within the field of membership of this credit union; employees of this credit union; members of their immediate families or household; and organizations of such persons. Reasons for amending our Charter include increasing opportunities for member growth and simplicity in communicating member eligibility."

Another success for Fitzsimons Credit Union in 2020 was winning 1st place in the state and 2nd place nationally for the Louise Herring Award. The award recognizes credit unions that do an extraordinary job incorporating credit union philosophy into daily operations. Fitzsimons Credit Union was recognized for expanding its digital account opening and lending platform to be available in English and Spanish to better serve its member base.

The true purpose of the credit union is to be there for you, especially during difficult times. Our response to the pandemic disruption proved that we embody the credit union philosophy of "people helping people" and with 2020 now behind us, the board and management want to thank you, our members, for your continued support of our Fitzsimons Credit Union.



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.



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 30 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

Elected 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 25 years in all facets of financial and management accounting. She is a Certified Public Accountant, licensed in Colorado.

In Memoriam:

*Thomas H. Smith
(1941-2021).*



Thomas was a fierce advocate for credit unions and served in several volunteer capacities for over 40 years at Fitzsimons, including, board Chair and Director Emeritus. He was also the Vice Chairman of the Volunteer Advisory Committee for the Colorado Credit Union League.

8

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



\$4,500

raised for community organizations such as Children's Hospital Colorado and Comitis Crisis Center.



1,500+

applications were processed through our new bilingual account and loan application portal, which was awarded the Louise Herring award.



\$5,000

in scholarships were awarded to 6 deserving students in the community.



4,000+

coffee and pastries from local small businesses were funded and delivered to staff at National Jewish Health, Children's Hospital, and the VA Hospital.

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 2020 annual opinion audit and expressed an unqualified opinion on the credit union's financial statements for the period ending September 30, 2020. 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, 2020, present fairly, in all material respects, the financial position of the credit union.

The unaudited financial statements as of December 31, 2020, 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, 2020. We have issued our independent auditor's report dated February 23, 2021.

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, 2020 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 2020, 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.

A handwritten signature in black ink that reads "Alicia Newton".

ALICIA NEWTON
Supervisory Committee Chair

TREASURER'S REPORT

The world faced many difficult and unprecedented challenges in 2020 and despite the difficulties faced during the year, Fitzsimons Credit Union finished the year strong and ready to look forward. The credit union was able to maintain its strong net worth and remained well capitalized throughout the year. The credit union's net worth ratio was 11.62% at the end of the year, well above the minimum threshold of 7.00% to be defined as well capitalized by the National Credit Union Administration. Our strong net worth position has continued to allow us to support our members through these difficult times and have the confidence that we continued to maintain our solid foundation.

Our member's borrowing needs shifted during the year, however the credit union continued to have strong loan growth of 4.07%. While loan growth slowed in 2020, the credit union worked hard to meet members needs throughout the pandemic by focusing on working with members on their payments and offering loan products to help gap the difficult time. The credit union yielded 5.95% in interest income on the loans in 2020 which continues to provide revenue for operating expenses, loan losses and dividends for the membership. Fitzsimons continues to offer competitively priced lending options and work with members in need of financial assistance. Deposit growth also shifted in 2020 as stimulus payments were paid out by the U.S. government and members began depositing their funds into safer investments. Deposit growth was 14.26% for the year, a significant increase from prior years.

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 twice during 2020 in response to the pandemic and economic fallout. It is anticipated that the Federal Reserve will keep rates at the current target rate through 2023. 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; 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.

James Dye

James L. Dye
Board Treasurer



1,000+ members aided during COVID through assistance loans, loan deferrals, and fee-free skip-a-payments.



600+ members sent funds fee-free to friends & family through digital payment service, Zelle.



200+ members opened free cash rewards Kasasa checking accounts.



1000+ members signed-up to check their credit score & report for free through online & mobile banking.

STATEMENT OF FINANCIAL CONDITION

12/31/20

Assets

Total Loans	156,595,897
Allowance for Loan Losses	(3,942,902)
Net Loans	<u>152,652,995</u>
Cash and Investments	47,723,045
Fixed Assets	7,275,440
Share Insurance Capitalization Deposit	1,668,245
All Other Assets	<u>7,792,277</u>
Total Other Assets	<u>16,735,913</u>
Total Assets	\$ 217,111,953

Liabilities, Shares & Equity

Accounts Payable & Other Liabilities	9,616,168
Share Savings	74,212,522
Draft Checking	48,024,403
Money Market Shares	20,782,278
Share Certificates	31,918,930
IRA Shares & Certificates	<u>7,152,762</u>
Total Shares & Certificates	182,090,894
Regular Reserve & Undivided Earnings	<u>25,288,907</u>
Unrealized Gain/(Loss) on Investments	<u>175,983</u>
Total Net Worth & Unrealized Inv Loss	25,404,890
Total Liabilities, Shares & Equity	\$ 217,111,953

STATEMENT OF INCOME

12/31/20

Interest on Loans	9,168,086
Income from Investments	<u>440,574</u>
Total Interest Income	9,608,660
Dividends on Shares	817,547
Interest of Borrowed Money	<u>112,591</u>
Total Interest Expense	930,138
Net Interest Income Before Provision	8,678,522
Provision for Loan Losses	<u>(1,997,036)</u>
Net Interest Income After Provision	6,681,486
Non-Interest (Operating) Expense	7,680,762
Fee & Other Operating Income	<u>1,887,547</u>
Total Non-Interest Income	888,270
Gain (Loss) on Disposition of Assets	(109,037)
Net Income	\$ 779,233

BOARD OF DIRECTORS

Lyle Artz, *Chair*

Robert Fritsch, *Vice Chair*

Demetria McNeal, *Secretary*

James Dye, *Treasurer*

Judy Thomas, *Director*

EXECUTIVE & MANAGEMENT TEAM

Robert Fryberger, *President/Chief Executive Officer*

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*

SUPERVISORY COMMITTEE

Alicia Newton, *Committee Chair*

Anthony Briseño, *Committee Secretary*

Judy Thomas, *Committee Member*

Vincent Macieyovski, *Committee Member*

LET'S CONNECT

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www.FitzsimonsCU.com



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Federally insured by NCUA



Fitzsimons

A PARTNERING CREDIT UNION

That's what partners are for.