2023 ANNUAL REPORT

Options Credit Union



2023 YEAR IN REVIEW

Sherry Espinoza, President/CEO Dawn McKnight, Chairman

Unlike their "for-profit" counterparts, credit unions operate as not-for-profit cooperatives, owned by members like you who use their services. While banks are owned by stockholders and prioritize profits for them, credit unions are owned and governed by their members. This means that decisions about products and services are always made in the members' best interest. The cooperative structure ensures accountability to all members, avoiding risky practices to meet stockholders' profit expectations. Credit unions work diligently to protect members' funds, manage risks, and make prudent choices to enhance members' financial well-being.

In 2023 considerable resources and staff hours were dedicated to evaluating a new data processing system and digital banking solutions. Following a thorough assessment and vendor selection process, the conversion is nearly complete, with exciting new technologies slated for release in 2024 to elevate service quality.

Despite the fragile and unpredictable economy, mutual support can foster growth for all. The Credit Union remains committed to delivering essential solutions, offering savings through reduced fees and competitive rates, unwavering even in challenging times.

As we look towards the future, the Credit Union envisions expanding its digital services to better meet the evolving needs of its diverse membership base. By focusing on innovation and member-centric strategies, we aim to provide unparalleled financial solutions that empower our members to achieve their goals and dreams. Together, we can build a stronger, more inclusive financial community where every member can blossom.

TREASURER'S REPORT

Tim Gaffigan, Treasurer

Options Credit Union distinguishes itself by prioritizing member relationships over financial gains, fostering a united family environment. The commitment to kinship has led to prosperity, strong assets, and responsible lending practices. The true value lies in dedicated staff and volunteers guiding members, ensuring a bright future of service and support.

Assets		2022	2023
Cash and Cash Equivalents	\$	365,149	\$ 551,175
Loans Receivable, Net of Allowance for Loan Loss		4,794,570	4,793,098
Accrued Interest Receivable		12,735	15,917
Furniture and Equipment, Net of Depreciation		6,442	3,404
Investments		32,000	32,000
Corporate Credit Union Deposits		22,487	22,488
NCUSIF Deposit		45,242	46,163
Prepaid Assets		16,229	16,447
Total Assets	\$	5,294,854	\$ 5,480,692
Liabilities and Members' Equity		2022	2023
Liabilities	\$	26,952	\$ 33,183
Member Shares		4,803,677	4,999,843
Regular Reserve		115,548	115,548
Undivided Earnings		348,677	332,118
Total Liability and Equity	\$	5,294,854	\$ 5,480,692
Statement of Income December 31, 2022 and 2	2023		
		2022	2023
Loans Receivable	\$	243,195	\$ 277,845
Investments		5,817	13,816
Total Interest Income		249,012	291,661
Members' Share		13,989	49,220
Borrowings		0	2
Total Interest Expense		13,989	49,222
Provisions for Loan Losses Net Interest Income After Provisions		17,692 217,331	13,623 228,816
Fees		37,580	35,527
Other Income		26.072	21,255
Total Non-Interest Income		63.652	56,782
Employee Compensations and Benefits		128,831	127,744
Travel and Conference		814	450
Office Occupancy		22.917	28,672
Office Occupancy Office Operations		55,444	60,368
Marketing		1,560	1,732
		20,491	24,219
Loan Servicing Professional and Outside Services		51,567	55,331
		504	485
Operating Fee		1,343	4,281
Misc. Operating Expense			(1,124)
Non-Operating Inc/Exp		(5,277)	302,156
Total Non-Interest Expense Net Income		278,194 2,789	(16,558)
Net Income		2,789	(10,558)

SUPERVISORY COMMITTEE REPORT

Duanette Tendell. Chairman

The Supervisory Committee ensures the financial records of the Credit Union are well-maintained and audited, and that internal controls safeguard the Credit Union's assets. Throughout the past year, the Committee has achieved this by conducting regular audits as mandated by federal and state regulators. They present their findings to the Board of Directors and the Chief Executive Officer, who then take necessary actions to address any identified issues.

Presently, the Supervisory Committee consists of three members and collaborates with an independent external auditor to conduct the required annual audits. These audits encompass quarterly and annual reviews, security risk assessments, Automated Clearing House (ACH) evaluations, and Bank Secrecy Act (BSA)/OFAC audits. Furthermore, the Committee provides feedback on internal credit union plans drafted by the Board, such as disaster recovery and business/strategic plans. They also oversee a biennial membership audit and assist in implementing any changes mandated by the Colorado Division of Real Estate ("DORA") and NCUA audits.

This year, the Supervisory Committee is inviting volunteers from the membership to join the committee. Those interested can contact Sherry for further details.

Regarding the Credit Union's financial status, the Supervisory Committee engaged Waypoint, an independent audit firm, for this year's reviews. The outcomes of the Committee's audits and reviews affirm that the credit union is financially stable and that existing internal controls effectively safeguard member assets. No adverse findings were reported in this year's assessments, and all recommendations were promptly addressed by the credit union staff and the Board to the satisfaction of the Supervisory Committee. The Committee extends gratitude to the credit union staff and the Board for their unwavering support and responsiveness to Committee requests. The CEO has been provided with a comprehensive copy of the credit union's balance sheet.

