

The logo features a central shield with a scalloped border. Inside the shield is a dark red arrow pointing to the right. A dark red ribbon with a white outline is draped across the shield, containing the text "Annual Report" in a white serif font. Below the ribbon, the year "2017" is written in a bold, dark red sans-serif font. The background consists of several diagonal rays of varying shades of red and orange, creating a sunburst effect.

*Annual Report*

**2017**

# FROM THE CHAIRMAN AND CEO

Dear Members,

**First of all, thank you! We exist to serve you, our members, and when we get it right, we all win.**

2017 was a prosperous year for Fitzsimons Credit Union on many fronts. We certainly had some challenges coming out of 2016 which required us to make some hard choices in the area of operations. We streamlined personnel and outsourced a number of internal functions. As a result, operating expenses for the year fell below the industry average. At the same time, we saw an increase in loan volume and interest income. The combination of these things put us in a favorable financial position at year-end. We hope to carry that momentum clear through 2018 and beyond.

In the early part of 2017, we completed the implementation of **chip card technology** to reduce fraud and deter hackers and identity thieves. As always, we will continue looking for ways to use technology to improve the overall member experience through efficient and secure delivery channels. But, while technology can improve operational efficiencies, it is expensive and not without risk. Our objective is to strike a balance between convenience and the security of our members' data.

In addition to providing our members with quality products and services, Fitzsimons is committed to being a good steward in the community. Our **outreach initiatives** in 2017 included participation in Denver Regional Council of Government (DRCOG) and CU Health's annual Bike to Work Day, Children's Hospital's Radiothon and Icon Donation Drive (for which we raised \$1,060), and Project Angel Heart.

We also offered several **financial literacy workshops and seminars**, free of charge, to our members and the general public. Topics included budgeting basics, credit building, home buying, tax reform, identity theft, and debt management. We will continue to offer a full slate of education programs in 2018.

Finally, thanks to the efforts of Nina Myers (VP Operations) and her team, Fitzsimons was recognized at a national level with CUNA's **Excellence in Lending Award**. In addition to traditional home, auto, and refinance loans, Fitzsimons offers specialized loan options to members of modest means. This includes DREAMer loans for DACA-qualified members and Partners Instant Cash (PIC) loans - an attractive alternative to payday loans. Further, Fitzsimons offers low-interest lines of credit to employees who have been with the company for 90 days or more. Creative lending initiatives like these are indicative of our commitment to meeting our members where they are.

**As we look ahead, we are optimistic.**

In 2018, we will continue to focus on lending, sustaining/increasing profitability, delivering exceptional partnership experiences, and providing relevant, beneficial products and services to our members. We will step up our involvement in the local community by serving on various boards and commissions and actively engaging in events and activities that foster the well-being and development of all residents. We will examine ways to recognize the contributions of our hard-working employees and reduce turnover. And we will remain a reliable and principled resource for anyone seeking guidance along their financial journey.

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.

Sincerely,



LYLE R. ARTZ  
Board Chair



ROBERT FRYBERGER  
Chief Executive Officer

*Proudly serving the  
Aurora community  
since 1955!*



## STATEMENT OF FINANCIAL CONDITION 12/31/17

### Assets

Cash & Cash Equivalents		9,240,160
Unsecured Loans	2,466,891	
Auto Secured Loans	46,293,842	
Real Estate Secured Loans	65,126,455	
Other Secured Loans	233,167	
Total Loans	<u>114,120,355</u>	
Allowance for Loan Losses	<u>(1,830,742)</u>	

Net Loans to Members		112,289,613
Investments		47,339,425
Fixed Assets		7,504,226
Share Insurance Capitalization Deposit		1,504,405
Other Assets		6,109,519
Total Assets		<u>\$ 183,987,347</u>

### Liabilities, Shares & Net Worth

Accounts Payable & Other Liabilities		4,197,465
Regular & IRA Shares	63,730,412	
Share Drafts	34,810,319	
Money Market Shares	24,600,836	
Share & IRA Certificates	35,575,639	
Total Shares & Certificates		<u>158,717,206</u>
Net Worth		21,114,614
Unrealized Gain/(Loss) on Investments		<u>(41,939)</u>
<b>Total Liabilities, Shares &amp; Net Worth</b>		<u><b>\$ 183,987,347</b></u>

*Make your  
home sweet home!*



Ask about our Home Equity  
Lines of Credit (HELOCs)!

## STATEMENT OF INCOME

12/31/17

Interest on Loans	5,186,732	
Income from Investments	1,123,199	
<b>Total Interest Income</b>		<u><b>6,309,930</b></u>
Dividends on Shares	375,916	
Interest of Borrowed Money	189,495	
<b>Total Interest Expense</b>		<u><b>565,412</b></u>
Net Interest Income		5,744,518
<b>Provision for Loan Losses</b>		<u><b>836,997</b></u>
Net Interest Income After Provision		4,907,522
Fee & Other Operating Income	1,957,753	
Gain (Loss) on Disposition of Assets	9,995	
<b>Total Non-Interest Income</b>		<u><b>1,967,748</b></u>
<b>Non Interest (Operating) Expense</b>		<u><b>6,199,589</b></u>
<b>Net Income</b>		<u><b>\$ 675,681</b></u>

Help the next  
generation soar!



*Savvy Saver's  
Youth Accounts*

# TREASURER'S REPORT

Financially, 2017 was a good year for Fitzsimons Credit Union with strong loan growth and an improved return on assets compared to 2016. The credit union remained well capitalized for 2017.

The net worth ratio of 11.48% was well above the minimum threshold of 7.00% 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 in its ability to offer members competitive products and services.

A sound lending program is central in meeting the credit union's financial goals and the needs of our members. Loans are vital to Fitzsimons' financial performance because they provide most of the credit union's interest income. In 2017, total loan balances increased 17.6%, and loan interest income increased 19.1%, providing more revenue to cover operating expenses, loan loss provisions and paying dividends to the membership. Fitzsimons will continue to offer competitively priced lending options and work with members in need of financial assistance.

Total member funds deposited with the credit union increased 2.5% in 2017. This reflects the confidence the membership has in the credit union's ability to safeguard their funds.

Increasing lending to the membership while minimizing loan losses and managing expenses will continue to be the main areas of focus in the coming years. The Federal Open Market Committee (FOMC) of the Federal Reserve continued to increase the target Fed Funds rate during 2017 and indicated the rate may continue to increase in 2018. The credit union is prepared to operate and serve its members even in this rising rate environment. The credit union is able to preserve its strong net worth position by not taking unwarranted risks and closely monitoring for any anticipated changes.

Your board and management will always make operating a safe and financially sound credit union a high priority. We thank our member-partners for their continued loyalty.

Sincerely,



Judy A. Thomas  
Board Treasurer



# 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 2017, Doeren Mayhew CPAs, conducted the 2017 annual opinion audit and expressed an unqualified opinion on the credit union's financial statements for the period ending September 30, 2017. 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, 2017, present fairly, in all material respects, the financial position of the credit union.

The unaudited financial statements as of December 31, 2017, 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 LLC, 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, 2017. We have issued our independent auditor's report dated January 22, 2018.

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, 2017 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 2017, 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*

## BOARD OF DIRECTORS

Lyle Artz, *Board Chair*  
Robert Fritsch, *Board Vice Chair*  
Ruth Bigham, *Board Secretary*  
Judy Thomas, *Board Treasurer*  
James Dye, *Board Member*

## ADVISORY COMMITTEE

Thomas Smith, *Emeritus*  
George Touchard, *Associate*

## SUPERVISORY COMMITTEE

Elizabeth Brauer, *Committee Chair*  
Anthony Briseno, *Committee Secretary*  
Judy Thomas, *Committee Member*  
Jose Raya, *Committee Member*  
Demetria McNeal, *Committee Member*

## EXECUTIVE & MANAGEMENT TEAM

Robert Fryberger, *President/Chief Executive Officer*  
David Erickson, *Vice President Finance*  
Nina Myers, *Vice President Operations*  
Andrey Parshenkov, *Vice President Information Technology*  
Cheri Prochazka, *Vice President Human Resources*  
Alisha Huett, *Assistant Vice President Branch Operations*  
Audrey Beggs, *Branch Manager Fitzsimons*  
Melanie Bedell, *Branch Manager Southlands*  
Esmarelda Perez, *Communication Center Manager*  
Patricia Wells, *Marketing Manager*  
Elizabeth Rettig, *Risk Management/Fraud Specialist*  
Brett Wellers, *Staff Accountant*



2201 N. Fitzsimons Parkway Aurora, Colorado 80045  
6359 S. Southlands Parkway Aurora, Colorado 80016



Federally insured by NCUA



**Fitzsimons**  
A PARTNERING CREDIT UNION  
*that's what partners are for*