

ANNUAL REPORT 2017

2020 VISION

Commitment to
the future with
a clear sense
of purpose.



★ ROCKY MOUNTAIN ★

LAW ENFORCEMENT

FEDERAL CREDIT UNION

1938



2017

2020 VISION

Board of Directors

Tom Cornelius
Chairman

Ron Saunier
Vice Chairman

Steve Allison
Secretary/Treasurer

Joseph O'Neill

Steven Patrick

Tom Tedesco

Mike Thode

Nominating Committee

Tom Cornelius
Chairman

Ron Saunier

Steven Patrick

Supervisory Committee

J.C. Tyus
Chairman

Barb Archer

Rick Bridges

Marge Mayes

Mike Pettinger

Executive Management Team

Christine Wiley
President/CEO

Melinda Mayotte
Chief Financial Officer

Jessica Smedes
Chief Operations
Officer

Cary Karcher
Vice President of
Branch Performance

Report of the Chairman

2017 was a year of exceptional accomplishments for Rocky Mountain Law Enforcement Federal Credit Union. With the dedication of our Board of Directors, leadership and commitment from management and staff, and the strength of our members, we realized unparalleled accomplishments. We achieved great success toward our strategic goals. Our loan portfolio grew over 10%; assets increased 6.9%; member deposits increased 7.6%; and total members grew by 4.2%.

RMLEFCU is fortunate to have such a dedicated group of volunteers. Our Board and Supervisory Committee continued their education with specialized training in many areas during the year from the education provided by the BVS Online Learning Program. The training requires additional time and effort, and reflects the individual commitment our volunteers have toward serving the members.

In 2017, RMLEFCU again received the highest rating given from the National Credit Union Administration. We were rated exceptional in all areas evaluated by NCUA: Capital, Asset quality, Management, Earnings, and Liquidity. It is the highest rating possible, and illustrates the safety, soundness and strength of the Credit Union. This continues to be an immense accomplishment for management and staff.

As we move into 2018 and beyond, our vision is to continue to expand with controlled growth, as we want to be the financial services choice for all law enforcement families in Colorado. Our members represent a very tight-knit group of consumers with specific needs. As a Credit Union with law enforcement officers and family members in our field of membership we are uniquely able to serve those needs while providing valuable financial services.

I would like to thank our members, volunteers, management and staff for their continued support of the Rocky Mountain Law Enforcement Federal Credit Union.

Tom Cornelius
Chairman

Report of the President

The Rocky Mountain Law Enforcement Federal Credit Union was chartered in 1938 by seven officers of the Denver Police Department. The Credit Union now serves Federal, State, and local law enforcement employees and their families across the State of Colorado. While the field of membership has expanded significantly from our beginning, our commitment to serving only law enforcement has not changed.

As we celebrate our 80th year of existence, we reflect on our growth and success, and on those who have significantly contributed to that success. We specifically acknowledge our loyal members, and both past and present volunteers for their enthusiasm and support of the Credit Union. We also acknowledge management and staff for their commitment to excellence. It is this excellence along with the passion to serve our members that fuels our vision for the future.

In 2017, Rocky Mountain Law Enforcement FCU continued to outpace peer credit unions in most of the Financial Performance Ratios evaluated by the industry. For the 4th year in a row, we have been recognized as one of the Top 10 Healthiest Credit Unions out of 5,573 credit unions nationwide.

Credit Unions continue to be more popular than banks with consumers. Credit unions charge lower interest rates on loans and are committed to doing what is right for members. Credit unions continue to be not-for-profit cooperatives, created for the sole purpose of providing members with banking services. Profits are used for the benefit of the members, not stock holders.

The strides we made in 2017 enable us to continue to grow and expand services to our members. Rocky Mountain Law Enforcement Federal Credit Union is well positioned to meet future economic challenges. Our commitment to our members will remain our primary focus as we strive to provide quality products and services through sound business practices.

Christine Wiley
President/CEO

Report of the Treasurer

The credit union is focused on providing members with “leading edge” technology that enables and maximizes member convenience. Some of these services include, P2P, Depozip, Open Transfers, and Account Aggregation. RMLEFCU provides members with a variety of savings and investment products, a complete consumer loan product offering as well as numerous convenience services.

Last year was an outstanding year for RMLEFCU. It was a year of growth and prosperity, and we have positioned ourselves well to be able to continue to provide leading services and technology while continuing to ensure safety and soundness. We surpassed the \$200 million mark in assets as we ended the year at \$213.5 million. Capitalization, a primary factor in our operating plan grew 7.85% to 17.95%. Our goal is to maintain a capital to asset ratio of over 15%. Return on average assets, a primary measurement of profitability, remained strong in 2017. We exceeded our 1% Return on Asset goal ending the year with a 1.18% ROA.

Loans grew to \$133,867,268, and member deposits were \$173,589,523 at year-end. Our loan to share ratio ended the year at 77%

I encourage you to review comparative financial statements, which are included in the Annual Report. You will find that 2017 was an outstanding year and can marvel at the Credit Union’s growth since 1938.

Steve Allison
Secretary/Treasurer



Report of the Nominating Committee

Increased competition, decreased interest margins, and increased regulations make our director’s responsibilities more complex than ever. Our Board of Directors are extremely prepared to meet these challenges. Through training, education and sound policies they can direct the Credit Union into the future.

Each member of the board is required to gain knowledge by completing courses in the BVS Online Learning System. Directors have a major impact on both the direction of the credit union and its results.

All candidates endorsed by the Nominating Committee have completed these requirements and have demonstrated the commitment that have produced positive results for Rocky Mountain Law Enforcement Federal Credit Union.

We nominate the following for two-year terms as members of the Board of Directors of the Rocky Mountain Law Enforcement Federal Credit Union.

Steve Allison Tom Tedesco
Mike Thode Joe O’Neill

Tom Cornelius
Chairman of the Nominating Committee

Report of the Supervisory Committee

The Supervisory Committee consists of five members who are appointed by the Board of Directors in accordance with the By-laws of the credit union. The Committee is responsible to oversee the credit union’s internal audit and to ensure the safety and security of member deposits.

The committee utilizes both the CPA firm of Holben, Hay, Lake, and Balzer and an Internal Auditor to conduct quarterly reviews and audits. They validate the internal controls present to ensure the credit union complies with established regulations and policies. The committee also ensures an annual CPA audit is conducted, that includes a verification of member accounts and loans.

The National Credit Union Administration conducted a comprehensive examination and we are pleased to report that the Rocky Mountain Law Enforcement Federal Credit Union again received a top rating.

We extend our commendation to the Board of Directors, management and staff for their continued commitment to excellence.

JC Tyus
Chairman

Rocky Mountain Law Enforcement Federal Credit Union Statement of Condition Comparison

December 31, 2017

ASSETS	ASSETS	2017	2016	2015
	Loans to Members	133,867,268	121,287,026	119,518,251
	Loan Loss Allowance	(621,752)	(593,746)	(530,160)
	Receivables	5,235	21,711	470,679
	Cash	494,581	320,635	412,098
	Investments	57,039,946	63,004,327	56,840,418
	NCUSIF	1,585,023	1,443,425	1,391,387
	Fixed Assets	10,989,060	11,599,462	8,163,481
	Other Assets	10,184,591	2,561,148	2,510,383
	TOTAL ASSETS	213,543,952	199,643,989	188,776,537
LIABILITIES & EQUITY	LIABILITIES & EQUITY			
	Liabilities			
	Accounts Payable	1,084,635	2,213,011	2,185,218
	FHLB Borrowings	—	—	—
	Other Liabilities	1,166,555	1,070,240	985,195
	Total Liabilities	2,251,190	3,283,251	3,170,412
	Equity			
	Member Shares	173,589,523	161,299,495	152,910,255
	Regular Reserves	3,352,559	3,352,559	3,352,559
	Undivided Earnings	33,712,337	31,278,550	28,989,568
Unrealised Gain on Investments	638,343	430,134	353,744	
Total Members Equity	211,292,762	196,360,738	185,606,125	
TOTAL LIABILITIES & EQUITY	213,543,952	199,643,989	188,776,537	
INCOME / EXPENSE	INCOME/EXPENSE COMPARISON			
	Income			
	Income From Loans	6,711,596	6,170,135	5,815,924
	Income From Investments	639,306	770,706	685,368
	Fees/Charges	1,198,624	1,124,087	1,150,873
	Miscellaneous Income	2,095,388	1,615,094	1,548,729
	Total Income	10,644,914	9,680,023	9,200,895
	Expense			
	Operations Expenses	7,206,566	6,335,345	5,856,470
	Provision For Loan Loss	246,390	320,031	317,964
Other Expenses	47,347	37,986	37,508	
Total Expense	7,500,302	6,693,362	6,211,943	
Total Dividends	680,452	694,339	624,100	
Total Non-Operating Inc/(Exp)	(30,373)	(3,341)	(10,035)	
NET INCOME	2,433,787	2,288,982	2,354,817	

How RMLEFCU has grown

Assets

1938	\$6,028
1948	\$124,829
1958	\$971,173
1968	\$1,693,965
1978	\$7,495,570
1988	\$31,649,707
1998	\$76,474,908
2008	\$135,043,803
2017	\$213,543,952

Member Shares

1938	\$5,779
1948	\$110,441
1958	\$882,053
1968	\$1,455,806
1978	\$6,300,266
1988	\$28,385,593
1998	\$68,792,026
2008	\$117,826,757
2017	\$173,589,523

Total Loans

1938	\$5,194
1948	\$83,861
1958	\$844,371
1968	\$1,285,133
1978	\$5,272,502
1988	\$14,553,798
1998	\$52,824,881
2008	\$103,176,056
2017	\$133,867,268

Members

1938	161
1948	502
1958	896
1968	1,346
1978	2,791
1988	5,462
1998	7,238
2008	9,744
2017	13,563