

## board of **directors**

Kristin Bouchard | Lyle Manley  
Josh Knoedler | Stefanie Griffith  
Mike Bertagnolli | Mike Williams  
Chris Lemon

## supervisory **committee**

Dan Hill | Steve Eror  
David Phillips | Tim Bryggman  
Ginger Dynneson

## executive **management**

Steve Sendon **President/CEO**  
Cyrus Malkin **VP-Finance/CFO**  
Dean Olsen **VP-Information Technology**  
Erin Johnston **VP-Project Change**  
Brandi Mergenthaler **VP-Operations**  
Holly Lane **VP-Human Resources**  
Lesley Huber **VP-Lending**

## rmcu **locations**

### **HELENA**

1820 11th Avenue  
3400 N. Montana Avenue  
406.449.2680

### **BOZEMAN**

8645 Huffine Lane  
406.586.1505  
1840 Baxter Lane  
406.602.4800

### **BELGRADE**

90 W. Madison Avenue, Ste. A  
406.586.1505

### **BUTTE**

2101 Yale Ave  
406.723.5381



\*By member's choice, this institution is not federally insured. Each account is insured up to \$250,000.

[www.rmcu.net](http://www.rmcu.net)



# 2022

## Our Mission

To provide financial service relationships of lasting value that exceed member and community expectations and reward members for their loyalty.

**ANNUAL  
REPORT TO  
MEMBERSHIP**



**Rocky  
Mountain**  
CREDIT UNION

# Chairman’s Report

I am proud to report to you as your Chairman of the Board of Directors that during 2022, RMCU witnessed another year of strong income and growth. Your Board and staff continue to move Rocky Mountain Credit Union in the direction of building member relationships through quality products and services our members need.

By year-end, RMCU’s assets increased \$17 million through internal growth. The credit union now has total assets of over \$364 million. Total membership grew 332 members to bring the end of year number to 24,048 members. Our credit union staff continues to build strong financial relationships with all of our members and this effort is driving our growth. Net income for 2022 was \$1,977,045 and yielded a return on average assets of .55%, both in line with our budget projections for the year.

Once again, 2022 presented the credit union, and our world, with new and unique challenges. In response to

those challenges, the Board and staff continued to strengthen our commitment to serving our members by providing them the products and tools they needed. Once again, thank you for being a member of Rocky Mountain Credit Union.

**Kristin Bouchard**  
*Chairman of the Board*

FINANCIAL STATISTICS	2022	2021
Loans Granted	\$114,421,739 3,759	\$147,955,931 3,692
Members	24,048	23,716
Avg. Outstanding Loan	\$20,535	\$19,373
Avg. Share Balance	\$13,226	\$13,312

# Supervisory Committee Report to the Membership

The Supervisory Committee of Rocky Mountain Credit Union (RMCU), by order of Montana Law, is required to engage a comprehensive annual audit of the books and affairs of the Credit Union. The Supervisory Committee oversees the audit process to ensure that management adequately addresses any findings noted in these audits in order to preserve the security of members’ deposits. To meet the State requirements, the Credit Union engaged the CPA firm of Wipfli LLP to perform an independent external audit of the year-end 2022 financial statements. No material misstatements of the financial position were noted during the audit.

The Supervisory Committee also retained Wipfli, LLP to perform various internal audits in 2022. Any findings from these internal audits are being or have been addressed by management.

ASSETS	2022	2021
Consumer Loans	\$140,079,866	\$129,225,765
Real Estate Loans	\$126,761,307	\$113,566,182
Member Business Loans	\$12,887,250	\$12,273,699
Total Loans	\$279,728,423	\$255,065,646
Loan Loss Allowance	\$840,492	\$719,010
Net Total Loans	\$278,887,931	\$254,346,637
Cash & Cash Equivalents	\$7,279,729	\$20,467,814
Investments	\$50,750,833	\$47,807,809
ASI	\$4,104,150	\$3,702,541
Property & Equipment	\$15,803,625	\$13,313,149
Other Assets	\$7,947,280	\$8,129,607
Total Assets	\$364,773,547	\$347,767,556
LIABILITIES & EQUITY		
Notes Payable	\$13,750,000	-
All Other Liabilities	\$4,228,404	\$3,741,016
Member Shares & Deposits	\$318,070,096	\$315,703,813
Regular Reserves	\$6,037,244	\$6,037,244
Equity Acquired in Merger	\$3,018,313	\$3,018,313
Accumulated other Comprehensive Income	(\$1,752,461)	(\$177,738)
Undivided Earnings	\$21,421,952	\$19,444,908
Total Liabilities & Equity	\$364,773,547	\$347,767,556
INCOME		
Loan Interest Income	\$11,254,837	\$10,115,185
Investment Income	\$552,960	\$263,510
Non-Interest Income	\$4,812,038	\$4,606,474
Total Income	\$16,619,835	\$14,985,169
EXPENSES		
Dividends Paid	\$1,107,031	\$1,292,345
Interest on Borrowed Funds	\$86,228	\$24,232
Provisions for Loan Losses	\$447,000	\$9,200
Non-Interest Expense	\$13,002,531	\$11,652,616
Total Expenses	\$14,642,790	\$12,978,393
Net Income	\$1,977,045	\$2,006,776

# President’s Report

After two years of constant change, 2022 was a return to normal at Rocky Mountain Credit Union. It was wonderful to see our members’ faces again and to greet them as they visited our locations in person, many for the first time in two years. The resilience of our membership, staff, and volunteers was tested during the Covid crisis, and I am happy to report the resolve of the RMCU family returned financial results for 2022 that were as solid as ever, and the financial position of the credit union remains strong.

As in the previous two years, in 2022, the credit union team was focused on creating a safe and secure operation for our members, staff, and vendors. The end of the pandemic crisis allowed all of us to relax a bit and return to many of our routine behaviors. Of course, at the credit union, this gave us an opportunity to continue our growth plan for RMCU. The results were quite satisfying. Our staff provided products and services to 24,048 members in our service areas, all while continuing to grow our institution and show positive returns on our income statement.

In 2022, the Executive Management Team and Board of Directors were able to see a renewed focus on our strategic plan. This was a nice change after two years in “survival mode” and allowed the credit union team to focus on our changing markets and the realities of a changing economy in Montana. This plan involves relationship building with our membership. Membership at the credit union provides us with a unique opportunity to engage our customer base in ways that banks simply are not able to. We will continue to survey our membership and identity ways that the credit union experience will allow our members to have more input in their financial future. This value proposition gives RMCU a competitive advantage and should help us focus on member service during the upcoming economic challenges we are seeing.

The economy is now pressured with higher inflation, higher interest rates and a slowing of real estate property sales in our service areas. These challenges are new to many who haven’t experienced interest rate increases in several years. The staff at Rocky Mountain Credit Union sees this as an opportunity to educate and serve our members in new ways. We will continue to work to offer the best products and services possible while also focusing on growing our organization and membership. Our marketing team will continue to provide updates as we pursue our growth and relationship goals. I am excited to see how our expanded focus on member relationships improves moving forward.

Financially, 2022 was another solid year. During the year, our loan portfolio quality remained high while loan losses remained low. While the incredible growth in real estate loan production we experienced in 2021 slowed to a crawl in 2022, we were able to offset much of this lower volume with growth in other lending areas. In fact, we wrote more total loans in 2022 than we did in 2021.

Our net income in 2022 was \$1,977,045 which represents a Return on Average Assets of .55%. This was right in line with expectations and just a bit short of the \$2 million earned in 2021. Rising interest rates have made deposits more expensive to hold and will continue to challenge the credit union in 2023. Overall, RMCU maintains a capital ratio of 8.36%, qualifying the credit union as a well-capitalized institution.

Total dollars lent to members in 2022 equaled \$114,421,739 to 3,759 members. The loan portfolio increased \$24.6 million, which resulted in a growth percentage of 9.6%. The loan to share ratio ended the year at 87.95%, meaning 88 cents of every deposit dollar was invested in loans to members in 2022. Our assets

increased to over \$364 million during the year, while shares grew to over \$317 million.

The management, staff, and membership of RMCU were able to continue to adjust to a changing economic environment in 2022. The results reflect the dedication of the Rocky Mountain Credit Union staff, our volunteers and the faith of our membership. I am proud of what was accomplished in 2022, and I am excited for the future.

Finally, I want to say THANK YOU for choosing Rocky Mountain Credit Union as your financial institution. This organization functions to serve your financial needs and we thank you for your support.

Sincerely,  
**Steve Sendon**  
*President/CEO*

