

board of **directors**

Kristin Bouchard | Tony Loya
Scott Stoner | Stefanie Griffith
Mike Bertagnolli | Mike Williams
Chris Lemon

supervisory **committee**

Steve Eror | David Phillips
Tim Bryggman | Ginger Dynneson
JoAnne Adydan

executive **management**

Steve Sendon **President/CEO**
Cyrus Malkin **VP-Finance/CFO**
Dean Olsen **VP-Information Technology**
Erin Johnston **VP-Project Change**
Kelsey Fandry **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

101 Thunder Road
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



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 2023, 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 \$383 million. Total membership grew with over 700 new members to bring the end of year number to 24,779. Our credit union staff continues to build strong financial relationships with all our members and this effort is driving our growth. Net income for 2023 was \$2,006,037 and yielded a return on average assets of .54%, both exceeding our budget projections for the year.

2023 presented the credit union, and our world, with new and unique challenges. The economic world continues to change on an almost daily basis. In response to those

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

Kristin Bouchard
Chairman of the Board

FINANCIAL STATISTICS	2023	2022
Loans Granted - \$\$	\$ 82,211,698	\$ 114,421,739
Loans Granted - ##	3,172	3,759
Members	24,779	24,048
Avg. Outstanding Loan	\$ 19,992	\$ 20,535
Avg. Share Balance	\$ 13,835	\$ 13,226

President’s Report

I am happy to report the resolve of the RMCU family returned financial results for 2023 that were as solid as ever, and the financial position of the credit union remains strong. After several years of constant change, 2023 was a challenging, yet successful year at Rocky Mountain Credit Union.

As we navigated forward in a post-COVID world, the credit union team was focused on creating a safe and secure operation for our members, staff, and vendors. 2023 was a year of economic change in the U.S. economy and increasing interest rates impacted the credit union as well. We began the year concerned about the cost of deposits and higher interest rates in lending. While challenging, the results were quite satisfying. Our staff provided products and services to 24,779 members in our service areas, all while continuing to grow our institution and show positive returns on our income statement.

Strategically, the Executive Management Team and Board of Directors remain focused on our current markets and the realities of a changing economy in Montana. The key to the plan involves relationship building with our membership. Membership at the credit union provides us with an opportunity to engage our customer base in ways that banks simply are not able to. We will continue to survey our membership, asking for their guidance to help improve the credit union experience, with a goal to give our members more input into their financial future. This value proposition gives RMCU a competitive advantage and should help us focus on member service and product development while also focusing on growing our organization and membership.

Our net income in 2023 was \$2,006,037 which represents a Return on Average Assets of .54%. This was right in line with expectations and an improvement over the \$1.9 million earned in 2022. Rising interest rates have made deposits more expensive to hold and will continue to challenge the credit union in 2023. Overall, RMCU remains well capitalized with a capital ratio of 8.18%.

Total dollars lent to members in 2023 equaled \$82,211,698 to 3,172 members. The loan portfolio increased \$2.1 million, which resulted in a growth percentage of 1%. The loan to share ratio ended the year at 82%, meaning 82 cents of every deposit dollar was invested in loans to members in 2023. Our assets increased to over \$383 million during the year, while shares grew to over \$342 million.

The slowdown in mortgage and member business loans, paired with a strategic decision to reduce the size and expense of the indirect lending portfolio, contributed to slower growth in lending. We had solid production in our in-branch direct consumer lending function, along with Visa credit cards, and our home equity loan programs. For 2024, the biggest variable is in mortgage lending, but I would expect volume to improve as rates begin to come down later in the year.

Overall, I am pleased with 2023’s results. The management, staff, and membership of RMCU were able to adjust to a changing world in 2023. We were able to manage the challenges of the CECL

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 2023 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 2023. Any findings from these internal audits are being or have been addressed by management.

implementation, opened a new branch location in Belgrade, navigated through economic challenges, higher interest rates, and the effective elimination of the indirect lending function. We did all this in a tough employee hiring and retention market.

The results reflect the dedication of the Rocky Mountain Credit Union staff, our volunteers, and the faith of our membership. I am proud of the work the team did this past year and look forward to an even better 2024. This organization functions to serve your financial needs and we thank you for your support.

Sincerely,
Steve Sendon
President/CEO

ASSETS	2023	2022
Consumer Loans	\$ 140,685,397	\$ 140,079,866
Real Estate Loans	\$ 130,252,114	\$ 126,761,307
Member Business Loans	\$ 11,070,644	\$ 12,887,250
Total Loans	\$ 282,008,154	\$ 279,728,423
Loan Loss Allowance	\$ 1,844,994	\$ 840,492
Net Total Loans	\$ 280,163,160	\$ 278,887,931
Cash & Cash Equivalents	\$ 19,444,658	\$ 7,279,729
Investments	\$ 55,141,765	\$ 50,750,833
ASI	\$ 4,134,911	\$ 4,104,150
Property & Equipment	\$ 15,927,627	\$ 15,803,625
Other Assets	\$ 8,985,936	\$ 7,947,280
Total Assets	\$ 383,798,058	\$ 364,773,547
LIABILITIES & EQUITY		
Notes Payable	\$ 7,000,000	\$ 13,750,000
All Other Liabilities	\$ 3,838,073	\$ 4,228,404
Member Shares & Deposits		
Deposits	\$ 342,820,000	\$ 318,070,096
Regular Reserves	\$ 6,037,244	\$ 6,037,244
Equity Acquired in Merger	\$ 3,018,313	\$ 3,018,313
Accumulated other Comprehensive Income	\$ (1,268,461)	\$ (1,752,461)
Undivided Earnings	\$ 22,352,890	\$ 21,421,952
Total Liabilities & Equity	\$ 383,798,058	\$ 364,773,547
INCOME		
Loan Interest Income	\$ 14,769,161	\$ 11,254,837
Investment Income	\$ 1,912,310	\$ 552,960
Non-Interest Income	\$ 4,872,663	\$ 4,812,038
Total Income	\$ 21,554,134	\$ 16,619,835
EXPENSES		
Dividends Paid	\$ 5,167,122	\$ 1,107,031
Interest on Borrowed Funds	\$ 129,661	\$ 86,228
Provisions for Loan Losses	\$ 547,000	\$ 447,000
Non-Interest Expense	\$ 13,704,315	\$ 13,002,531
Total Expenses	\$ 19,548,097	\$ 14,642,790
Net Income	\$ 2,006,037	\$ 1,977,045

