

# 2021 ANNUAL REPORT



HORIZONS  NORTH  
CREDIT UNION

**BETTER BANKING  
BEGINS WITH MEMBERSHIP.**



13559 Huron Street • Westminster, CO • 80234



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# Agenda

- Call to order
- Ascertain quorum
- Introductions
- Approval of the minutes of the May 18, 2021 Annual Meeting
- Reports
  - Chairman
  - President
  - Treasurer
  - Supervisory Committee
- Unfinished Business
- New Business
- Election results
- Adjournment

# 2021 Minutes

Chairperson Robert Webber called the annual meeting of the Horizons North Credit Union to order at 5:32 p.m. via Zoom on May 18, 2021.

It was declared that a quorum was present.

The Board members, Supervisory Committee members, and credit union staff members were introduced.

The minutes of the September 10, 2020 Annual Meeting were duly approved.

The reports of the Chairman, the Treasurer, the Supervisory Committee, and the President were noted in the posted material.

There was no unfinished business.

There was no new business.

Chairperson Webber asked Mark Hinson to give the report of the Nominating Committee. Mr. Hinson announced that Deborah Capra, Richard Aggen, and Patrick Hamilton were the candidates nominated by that committee and that no other petitions were received by the committee. It was duly moved and seconded to elect this candidate by acclamation. The motion carried.

The meeting adjourned at 5:41 p.m.

Mark Hinson, Secretary

Robert Webber, Chairperson

# Chairman's Report

Dear HNCU Members,

I hope this letter finds you, your family, and friends healthy and happy!

Another interesting year has gone by at HNCU and although we may not be through the pandemic hopefully the worst is behind us, and some semblance of normalcy will return. It seems like each year, when I write this letter, we are dealing with events that haven't happened before or for quite some time and for many maybe not in their lifetime.

We are all dealing with some interesting times as it relates to the job market, inflation, record high housing costs and fuel prices, war in the Ukraine and recovery from supply chain issues. Of course, these issues impact all of us, as we go through our daily lives, and these things can make it much more difficult to be confident in what will happen in all aspects of life but especially in our financial situations.

I want to reassure our members that even though we are experiencing some uncertain times the board and staff will continue to move HNCU forward in a measured and conservative approach. We want to ensure that we are providing the products and services necessary to assist each of you in any way we can for your financial needs.

Our dedicated, hard-working, and friendly staff are available to provide services, answer questions, and guide you in all your credit union needs. We also have a very knowledgeable and talented Board of Directors that are dedicated to serving the members of HNCU and it's an honor to serve as the Chairman of such an outstanding group of devoted volunteers!

But most importantly HNCU has fantastic new and loyal members that make the work our staff and board members do worth it all! Please let us know if there are better ways to serve your credit union needs. We would love to hear from our members to make sure we are making HNCU a great experience for all of you! If you are a happy HNCU member please make sure you tell your family, friends, and co-workers to join! We would love to serve them as well. The more we grow our membership the more ways we can improve and expand our services!

Here's to a bright future for HNCU and wishing all of you the very best in the years to come! Thank you for being members of Horizons North Credit Union!

Sincerely,

Robert K. Webber  
Board Chairman

# President's Report

Dear Valued Members,

I never thought I would be so excited to return to routine! COVID was so life altering for all of us, and the credit union was part of that change as well. But we learned new ways to serve you better, and we continue to do so into the future. This includes our abundant electronic services. And we continue to research additional ways, electronic and otherwise, to serve you better.

We have many products and services we invite you to take advantage of. Have you refinanced your mortgage on your home? If not, we still may be able to lower your payments, help you take out money for refurbishing or paying off debt, or all of these, now is the time! Many homeowners are seeing record levels of equity. You can get to that money quickly with our Home Equities, and the rates remain attractive. Or if a vehicle purchase is in your future, you'll love our Blank Check program. Walk into a dealership and pay with a blank check for your vehicle, no hassles!

Many of our members have having larger account balances due to tax refunds or other reasons. Have you checked out our Kasasa accounts? Why not earn interest on your checking accounts balances and your savings, too? Check out our website, give us a call, or stop by and we'll do all that we can to help.

Your credit union continues to serve the citizens of Adams, Broomfield, and Denver Counties in our field of membership, and now the entire City of Westminster, and anywhere else our members and their families find themselves. We also serve many of our long-time partners: Adams Twelve Five Star Schools, the City of Northglenn employees, Community Reach Center, and the Independent Electrical Contractors - Rocky Mountain. We appreciate each partner and every member!

As I do every year, I want to thank two important groups of people. The first is our volunteers on the Board of Directors and Supervisory Committee, who do an excellent job performing their fiduciary duties of looking out for the best interests of the membership. These diligent volunteers work extremely hard for no pay just to make the credit union the best it can be. Please join me in great appreciation for all that they do!

The second group is our wonderful staff. I owe them an enormous thanks for all of their hard work, and as I said above, going to a new level each and every year. No matter what the situation, they continue to do a magnificent job of taking care of you and all of our members. Please call any one of us to assist you in any way we possibly can.

Here's to a great 2022!

Sincerely,

Bradley H. Harvey  
President/CEO

# Treasurer's Report

Horizons North Credit Union continues to be a great option for our members and community members to achieve their financial goals. As we emerge from the pandemic the credit union leadership has ensured the credit union provides the services most valued by our membership.

As expected, we are starting to see interest rates increase as our nation's economy deals with inflation. Our commitment is to continue to provide excellent customer service to our members and provide competitive interest rates for your vehicle purchases, home improvement projects, or even new home loans.

The Board of Directors and HNCU are dedicated to serving our membership and we look forward to providing excellent customer service and serving all of your banking needs and looking forward to serving you.

Finally, our most recent examination with the state auditors was exemplary and ensures that your funds are safe with HNCU. Thank you for your continued membership.

Pat Hamilton  
Treasurer



# Supervisory Report

Horizons North Credit Union Members and Employees,

Your Supervisory Committee is a volunteer group that has an official role in the operation of your Credit Union. This committee acts as an internal control and is responsible for reviewing Credit Union policies, procedures, and operations. We also serve members by safeguarding their assets through the evaluation of the Credit Union's financial condition, reviewing audits and reports, monitoring actions of the Board of Directors, and overseeing the performance of Credit Union officials. Many of these duties and responsibilities are shared with or done in concert with the Board of Directors.

The current members who make up the committee are Madeline Norconk, Jenni Murphy, Eddie Coronado, Joe Stephen, Kevin Delohery and Christine Rucobo. All members have completed the Bank Secrecy Act training, which is mandatory training that is required annually. Committee members have training material and additional resources available to them to gain knowledge and help with their effectiveness as committee members.

Kevin Delohery has decided to retire from his role as Supervisory Committee chair. HNCU, the Board, and the Supervisory committee thank him for his many years of volunteer service to support our community and members. Joe Stephen was nominated by the Supervisory Committee and approved by the Board to replace Kevin as Chair Person. Kevin is planning to move to a new house in Castle Rock and transition to full-time retired life as soon as we can find a replacement volunteer, Kevin is planning to remain on the committee as a member until a replacement is found.

Joe Stephen attended "Supervisor Committee training" in March 2022 at Mountain West Credit Union Associations office. This training was a good reassurance that our Credit Union and Supervisory Committee are following Credit Union norms and prepared Joe for his new role.

Our committee contracts with Singer Lewak (formerly Holben Hay Lake and Balzer), Certified Public Accountants, to provide internal quarterly audits reviewing internal controls, and paperwork, performing independent financial testing. In addition, they perform an agreed-upon procedures audit, which complies with the National Credit Union Administration rules and regulations, and ensures practices and procedures safeguard members' assets.

Our Supervisory Committee meets quarterly with Horizons North Executive Staff to review all reports and audits. Since the Pandemic, meetings have been virtual, however, we started meeting in person again this year. Any issues that are identified during these reviews are resolved and reported to the Board of Directors and the Supervisory Committee.

# Supervisory Report Cont.

The Colorado Division of Financial Services examined Horizons North Credit Union last June. The following components were reviewed and assessed:

- Operations and internal controls
- Accounting records
- Capital position and earnings performance
- Asset quality and risk in the loan and investment portfolios
- Cash flow and liquidity position
- Management performance and future planning
- Compliance with previous Examiner Findings
- Compliance with various consumer and business laws, rules, and regulations
- Due diligence over third party relationships

Horizons North Credit Union received a favorable review from the state. The next review is anticipated to be sometime around July this year.

The Supervisory Committee group agrees that, based on the audits and the State Examiners report we have reviewed, the Credit Union is operating in an acceptable manner and in accordance with all applicable rules and regulations.

Respectfully submitted,  
Joe Stephen  
Supervisory Committee Chairman

# Financials

## Balance Sheet

<b>ASSETS</b>	<b>2021</b>	<b>2020</b>
Total Loans	\$ 78,250,167	\$ 65,550,008
Allowance for Loan Losses	-198,341	-478,495
Cash	273,410	575,581
Investments	25,256,190	28,106,349
Fixed Assets	7,448,067	1,559,486
Other Assets	3,060,385	8,596,976
Total Assets	114,089,878	103,909,905
<b>LIABILITIES AND NET WORTH</b>		
Liabilities	\$ -489,806	\$ 476,522
Certificate Accounts	7,776,802	9,593,790
Checking Accounts	27,653,075	23,434,457
IRA Accounts	2,975,481	3,093,297
Savings Accounts	40,863,284	35,133,564
Cash Management Accounts	26,014,917	23,292,248
Non-Member Accounts	-0-	-0-
Regular Reserve	\$ 1,521,219	\$ 1,521,219
Accumulated Unrealized	1,992	3,393
Gains (Losses) On Available For Sale Investments		
Undivided Earnings	7,772,915	7,361,415
Total Liabilities & Net Worth	\$ 114,089,878	\$ 103,909,905

# Financials Cont.

## Income Statement

	<b>2021</b>	<b>2020</b>
Loan Interest	\$ 2,806,933	\$ 2,880,205
Investment Interest	199,103	225,330
Total Interest Income	\$ 3,006,036	\$ 3,105,535
Dividend Expense	\$ 174,811	\$ 282,873
Interest on Borrowed Money	84	11,745
Net Interest Income	\$ 2,831,142	\$ 2,810,917
Provision for Loan Loss	\$ -149,049	\$ 395,981
Employee Compensation	\$ 1,251,866	\$ 1,249,785
Employee Benefits	363,960	405,137
Travel & Conference	38,194	36,029
Association Dues	26,601	29,833
Office Occupancy Expenses	227,581	218,509
Office Operation Expenses	1,203,915	1,120,511
Education & Promotion	149,739	147,072
Loan/Account Servicing Expenses	532,270	460,194
Professional & Outside Services	132,081	143,679
Member Insurance	-0-	-0-
Operating Fees	9,311	9,392
Miscellaneous Operating Expenses	20,632	50,868
Total Operating Expenses	\$ 3,956,150	\$ 3,871,009
Operating Income	\$ 1,296,550	\$ 1,202,055
Non-Operating Gains/Losses	\$ 90,910	773,095
Net Income	\$ 411,501	\$ 519,077
Number of Members	7,281	7,681

# Volunteers

## Board of Directors

Robert Webber, Chairman

Debbie Capra, Vice-Chairman

Pat Hamilton, Treasurer

Mark Hinson, Secretary

Richard Aggen

Marilyn Akers Stansbury

Nathan Haasis

## Supervisory Committee

Joe Stephen, Chairman

Eddie Coronado

Jenni Murphy

Madeline Norconk

Christine Rucobo

# Staff

Veronica Arellano, Phone Center Operator  
Diane Arthur, Senior Vice President/Chief Financial Officer  
Lisa Ator, Assistant Branch Manager  
Cindy Bernhardt, Financial Service Representative  
LaTrice Brewster, Marketing Director  
Krista Burnell, Senior Vice President of Organizational Development  
Heather DeSchryver, Branch Manager  
Ronald Doyle, Loan Assistant  
Ann Fee, Financial Service Representative  
William Fowler, Senior Vice President - Lending  
Renée, Collections Manager  
Bradley H. Harvey, President/ CEO  
Sandy Keller, Phone Center Operator  
Belinda Kovach, Member Service Representative  
Anne McDonald, Member Service Representative  
Hailey Pokol, Member Service Representative  
Tracy Redding, Accounting Specialist  
Amanda Rivera, Compliance/Operations Manager  
Cathy Secrest, Operations Specialist  
Elaine Simcik, Mortgage Loan Originator  
Cyndi Spehar, Support Specialist

# Better Banking Begins With Membership.

***Your Money***™ @  
***Further***

HORIZONS  NORTH  
CREDIT UNION

# Better Banking Begins With Membership.

*Thank You*

HNCU WINS  
BEST BANK /  
CREDIT UNION!

2021  
Best  
CREDIT UNION

HORIZONS  NORTH  
CREDIT UNION

2011 2013 2015 2017 2019  
2012 2014 2016 2018 2020

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