

ON TAP CREDIT UNION®
2023 ANNUAL REPORT



BREWING PROSPERITY: A TOAST TO 2023

Dear On Tap Credit Union Members,

In the spirit of raising our glasses to celebrate not just the year gone by, but an incredible seven decades of financial excellence and community camaraderie, we are thrilled to present our 2023 Annual Report.

Brewing Prosperity: A Recap of 2023

As we embark on our 70th year and reflect, it's remarkable to see how our credit union has evolved into a seasoned brew of financial resilience. From the first pour to the latest craft, each year has been a distinct flavor in our journey to serve you better.

Aged to Perfection: Just like a fine brew, our credit union has aged to perfection. Over the years, we've weathered economic storms, embraced technological revolutions, and adapted to the changing tastes of our members. What started as a small credit union in the basement of Coors Brewery that only provided uniform and auto loans, has transpired into the On Tap Credit Union organization we are today with a robust offering of personal, mortgage, and business loans, as well as a range of investment and deposit solutions, online banking, and financial wellness. We are proud to highlight that in 2023 we provided \$3.7 million in member dividends, cash right in your pocket, and over 1,483 loans.



Expanded Community Relationships: Beyond the financial transactions, our credit union has become a cornerstone of the community. The relationships we've brewed with our members and the local community are the heart and soul of our legacy. From supporting the brewing learning facility at Metro State University to supporting local affordable housing initiatives, we donated over \$90,000 last year to support the communities we love. One of the year's greatest highlights was participating in the celebration of Coors' 150th Anniversary.

Focused on Innovation: Embracing the latest technology, we've streamlined our services to make banking as smooth as a perfectly poured pint. Whether it's mobile banking or online transactions, we've crafted a seamless experience for our members. We made numerous enhancements to online banking that include:

- Easy access to your full member number
- Anytime access to total interest and dividend amounts
- A new mobile thumb bar, making banking on the go even easier
- Quick balance view allows you to see your balances without logging in
- More educational videos on the website to teach you all there is to know about online banking

In addition, we made account opening and loan applications even easier. By simply putting in your phone number, the application will auto-fill and instantly open your savings, checking, credit card, auto loan, or personal loan.

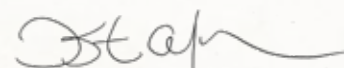
A Toast to Our Members


Our credit union is nothing without its members, and each one of you is a vital ingredient in our success. Your loyalty, trust, and enthusiasm have been the secret ingredients that make us a robust financial institution.

Cheers to the Future, 70 Years of Financial Excellence, and Community Spirit!

As we look ahead to our 70th year, we see endless possibilities on the horizon. Our commitment to providing you with top-notch financial services, a strong sense of community, and a dash of fun will remain at the core of everything we do.

Cheers to a fantastic 2023, and here's to the many more years of shared successes and financial prosperity!


Kirsten Johnson, Chair


Tracie Wilcox, President and CEO



Kirsten Johnson
Board of Directors,
Chair



Tracie Wilcox
President and
CEO

2023 COMMUNITY & MEMBER IMPACT SUMMARY:



2023 RECOGNITION AND AWARDS:

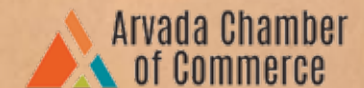


Seven
Best of the Best
Awards

- Best Bank/Credit Union in Golden
- Best Bank/Credit Union in Arvada
- Best Mortgage Agent/Consultant, Leslie Larson in Golden
- Best Mortgage Agent/Consultant, Ian Pertner in Arvada
- Best Mortgage Company in Arvada
- Best Boss, Tyler Richards in Golden
- Best Financial Planner, Dave Sprague in Golden



NAHREP (National Association of Hispanic Real Estate Professionals) Top 250
Daisy Romo, Executive



Arvada Chamber Champion Award
Janelle Herrera, VP of Marketing and Business Development



2023 GoWest Credit Union Association Colorado Advocate of the Year
Tracie Wilcox, President and CEO

LENDING REPORT AND FINANCIAL SUMMARY
NEW YEAR WITH ESCALATING CHALLENGES

2023 began with cautious optimism as consumer confidence remained high despite growing concerns over inflation. The year saw continued interest rate hikes as the prime rate reached 8.5% after four rate increases. This, in turn, led On Tap to adjust loan rates, ensuring a delicate balance between affordability for our members and effective budget management. Despite these economic challenges, On Tap remained steadfast in our commitment to providing unwavering financial support to our members.

Working Through Extraordinary Times

In 2023, business loans for our members took the forefront, driving remarkable growth within this segment. Despite constituting the smallest portion of our loan portfolio, we experienced nearly 25% growth, resulting in \$6.8 MM in net new loans. These loans supported 42 businesses on their path to success. Looking ahead to 2024, we're enthusiastic about expanding our business offerings in both deposits and lending. With the recent addition of Jamie Gaffney, our new Director of Business Services, we are poised to elevate our support for our business members to new heights.

On the residential lending front, 2023 marked a significant milestone as On Tap received approval from Freddie Mac, enabling the credit union to sell directly to the secondary market. This strategic move empowered the credit union to help members secure their dream homes amidst a rising rate market, resulting in over \$6.1 MM in net loan growth and \$22.2 MM in loans funded. Additionally, our commitment to supporting low-to-moderate-income borrowers remained unwavering, with nearly 18% of total residential loans directed toward housing assistance programs.

While demand for member loans experienced a dip, particularly in the auto segment, there was a notable increase in the need for home equity loans and lines of credit. Many members took advantage of these options to consolidate debt or fund new projects, contributing to an overall net growth of \$2.4 MM in the consumer lending channel.

Year End Summary

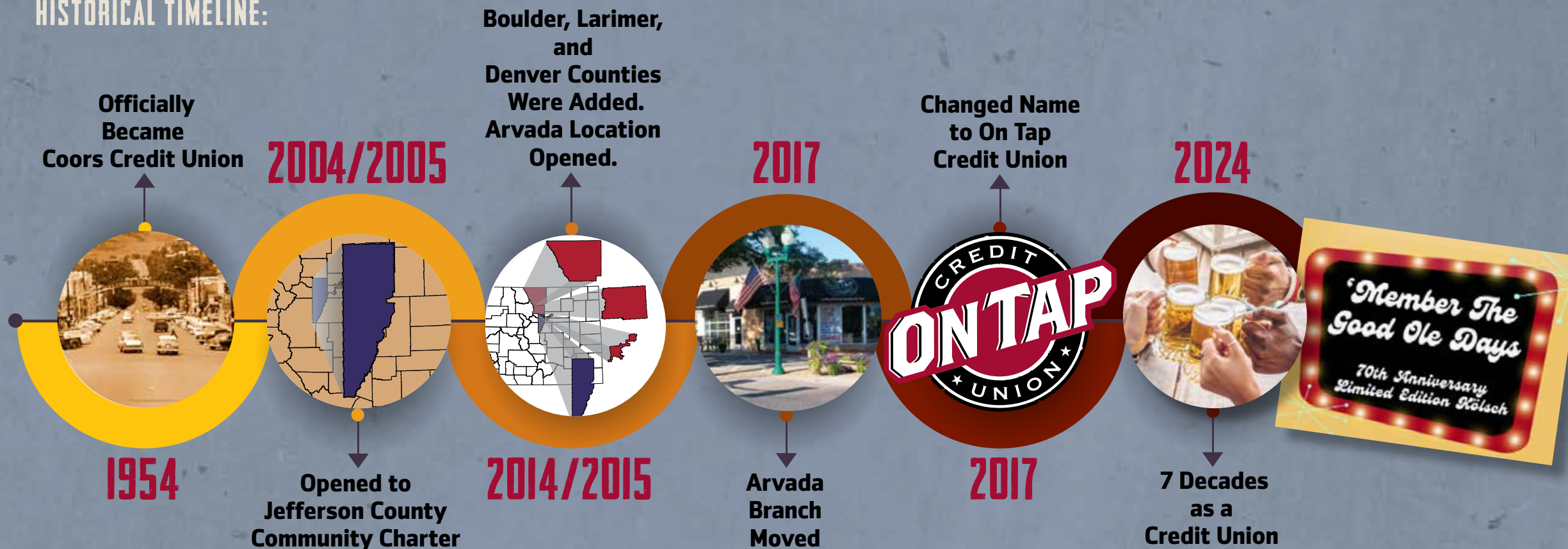
As we wrap up the year, we are pleased to report a solid 6.47% annualized net loan growth and net income exceeding \$1.8 MM. Despite the challenges, our delinquency levels remained low, and our loan-to-share ratio ended the year at 99%. Looking forward to 2024, On Tap will celebrate its 70th year in business. As we commence on this milestone, we remain committed to our mission of fostering financial advocacy for our members and the communities we serve.

1,483
LOANS FUNDED

\$62,136,421
IN FUNDED LOANS

NET LOAN GROWTH
\$19,323,559

HISTORICAL TIMELINE:



2023 OPERATIONAL HIGHLIGHTS:



AUDIT COMMITTEE ANNUAL REPORT

The Audit Committee works to guarantee the financial safety and soundness of On Tap Credit Union and to protect the assets of the credit union's membership. The Audit Committee is a subcommittee of the Board of Directors and ensures that On Tap Credit Union adheres to established policies and procedures and conducts business in the members' best interests. The Audit Committee's responsibilities are to verify that records are accurately maintained and to review the credit union's internal controls. The committee members also attend training sessions regarding auditor roles and their fiduciary responsibilities. This allows the committee to determine whether management's activities are carried out in accordance with credit union policies and procedures, as well as Federal and State regulations.

• Opinion Audit of Financial Statements and Member Verification

To meet the requirements of the National Credit Union Administration and State of Colorado Department of Regulatory Agencies, the committee retains a third-party independent audit firm to perform annual opinion audits of the credit union's financial statements and member account verifications. The firm issued an unmodified audit opinion and identified no material weaknesses in controls.

The Audit Committee has also reviewed the regulatory examination performed by the State of Colorado Division of Financial Services. There were no required board actions as the result of the examination.

• Internal Audit of Agreed Upon Procedures

In 2023 the Audit Committee engaged SingerLewak, LLP to perform internal audits of the credit union's operating and accounting policies and processes, including Bank Secrecy Act compliance. These audits are held quarterly, and no significant deficiencies were identified.

THE FINANCIALS

COMPARATIVE FINANCIAL STATEMENT

For the years ended December 31, 2023 and 2022.

in ('000s)

	2023	2022
ASSETS		
Loans Outstanding	\$ 317,111	\$ 298,405
Investments	33,572	36,194
Land, Building, and Other Fixed Assets	3,840	3,850
Other Assets	40,061	32,639
TOTAL ASSETS	\$ 394,584	\$ 371,088
LIABILITIES AND CAPITAL		
Member Shares and Deposits	321,602	317,402
Total Borrowings	37,071	20,571
Other Liabilities	3,933	3,667
TOTAL LIABILITIES	\$ 362,606	\$ 341,640
TOTAL CAPITAL	\$ 31,978	\$ 29,449
TOTAL LIABILITIES AND CAPITAL	\$ 394,584	\$ 371,088
INCOME		
Interest on Loans	14,720	10,948
Interest on Investments	647	553
Other Income	5,024	4,400
TOTAL INCOME	\$ 20,391	\$ 15,901
PROVISION FOR LOAN LOSSES	\$ 1,004	\$ 47
INTEREST EXPENSE		
Member Shares and Deposits	3,729	1,088
Interest on Borrowed Money	607	142
TOTAL INTEREST EXPENSE	\$ 4,336	\$ 1,230
OPERATING EXPENSES		
Compensation and Benefits	6,735	5,997
Operating Expenses	4,810	4,694
Other Expense, Including Occup and Depr	1,692	1,695
TOTAL NON-INTEREST EXPENSES	\$ 13,237	\$ 12,386
NET INCOME	\$ 1,814	\$ 2,238

On Tap Credit Union remains safe, sound, and secure. Your deposits are federally insured up to \$250,000 by the National Credit Union Share Insurance Fund and are backed by the full faith and credit of the U.S. Government, just as the FDIC does for bank deposits. No credit union member has ever lost a dime of federally insured funds. IRA shares are separately insured up to \$250,000.

**2023
BOARD OF DIRECTORS**

Kirsten Johnson

Chair

Ken Hehir

Vice Chair

David Engle

Secretary/Treasurer

Norm Cramer

Board Member at Large

Toni Houck

Board Member at Large

Dan Sung

Board Member at Large

Dean Valdez

Board Member at Large

**2023
SENIOR MANAGEMENT**

Tracie Wilcox

President/Chief Executive Officer

Amy Phillips

Chief Financial Officer

Chris Bokovitz

Chief Information Officer

Janelle Herrera

*VP of Marketing and
Business Development*

Laurie Jensen

*VP of Member Engagement
& Retail Delivery*

Tony Nieto

Chief Lending Officer

Daisy Romo

Executive

Verna Kay

VP of Cultural Stewardship

**2023
AUDIT COMMITTEE
MEMBERS**

David Engle

Chair

Dan Sung

Norm Cramer



Contact Information
www.OnTapCU.org
303.279.6414 • 800.770.6414

Golden Branch
816 Washington Ave
Golden, CO 80401
Fax: 303.279.6336

Arvada Branch
5675 Olde Wadsworth Blvd
Arvada, CO 80002
Fax: 303.423.8123



Federally insured by NCUA.
NMLS #401477

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