

## President's Message

Thank you to you and each of our 100,000 member-owners for an exceptionally successful 2017. We would not have had the ability to serve and help so many of you, or your friends, neighbors, and families, without the trust that you place in us. When you trust CoVantage with your loans, deposits, and other financial needs, you not only get great value in the form of competitive rates and low fees, but you also benefit your community. Here are some highlights from the past year.

- Borrowing members relied on CoVantage for their lending needs more than ever before, as loans increased by a record \$148 million. Business, home, and auto loans all grew substantially; and thanks to members continuing to make timely payments on loans, losses remained historically low.
- Members, employees, and community members showed an overwhelming generosity in partnering with CoVantage Cares Foundation. Our Giving 2sday campaign resulted in \$240,000 being disbursed to local worthy charities.
- CoVantage continued to serve members of low wealth in several ways, such as providing over 6,600 loans of \$1,000 or less with favorable rates and terms.
- Deposits grew by a record \$114 million; and saving members collectively earned \$10.6 million in interest, or 37% more than the year before, through favorable deposit rates.
- CoVantage completed the merger of Menominee Area Credit Union and welcomed its newest members from Menominee, Michigan into the CoVantage family!
- Members benefited from a new branch office in Weston to support our continued, rapid growth in Marathon County.
- Earnings were a record \$17 million; a result of exceptionally strong loan and deposit growth, and increased usage of CoVantage debit and credit cards.
- Due to record earnings, the Board of Directors authorized that \$3 million, the largest patronage payment ever, be provided to member-owners. This was up \$500,000 from last year and is \$1.3 million more than 2015!

We are so grateful to serve you, and want to thank all members for making CoVantage Credit Union strong! These financial results allow us to continue to offer competitive rates, maintain low fees, and provide growth that is needed so the credit union's future remains solid. I also want to acknowledge the hard work of our employees who allow us to live out our simple mission. CoVantage employees are the 'best-of-the-best' and their efforts make our communities better. Thank you for allowing us to serve you!

*Charles Zanayed*  
Charles Zanayed, President/CEO

## Board of Directors

Matt Kolling, Chairperson	Term Expires 2020
Lee Siler, Vice Chairperson	Term Expires 2018
Karen Novak, Treasurer	Term Expires 2019
Susan Gitzlaff, Secretary	Term Expires 2018
Charles Dallas, Director	Term Expires 2018
Bob Lamovec, Director	Term Expires 2019
Eugene Shawano, Director	Term Expires 2019
Paul Payant, Director	Term Expires 2020
Willis Qualheim, Director	Term Expires 2020

## Interesting facts from 2017

Number of Members	100,450
New Members	7,626
Number of Deposit Accounts	144,734
Number of Checking Accounts	64,285
Number of Loans Outstanding	70,966
Number of Loan Rebates Deposited	34,023
Number of Savings Bonuses Deposited	10,835
Number of Credit Cards	20,864
Number of Calls Received by Contact Center	456,978
Number of ATM/Debit Cards	68,386
Number of Debit Card Transactions	13,389,124
Number of ATM Transactions	587,374
Number of MyCoVantage Logins	5,271,421
Number of Employees	365

## Locations

### Wisconsin:

Antigo	723 Sixth Avenue	715-627-4336
	2209 Progress Boulevard	715-627-4336
Crandon	502 W Pioneer Street	715-478-5100
Elcho	N11333 Antigo St.	715-275-3742
Rhineland	905 Boyce Drive	715-369-3330
Rib Mountain	2200 Oriole Lane	715-842-8469
Rothschild	27 Brown Boulevard	715-359-0488
Shawano	911 E Green Bay Street	715-524-8200
	604 S Main St	715-524-8200
Stevens Point	1200 Badger Avenue	715-344-2110
Wausau	303 S 1st Avenue	715-845-4351
Weston	4903 Schofield Avenue	715-359-3994

### Michigan:

Crystal Falls	1 Credit Union Way	906-875-6686
Iron River	303 Fourth Avenue	906-265-5147
Menominee	1011 23rd Avenue	906-863-3854

# 2017 65<sup>th</sup> Annual STATEMENT



This credit union is federally insured by the  
National Credit Union Administration.

## STATEMENT OF FINANCIAL CONDITION

As of December 31, 2017

In Thousands (\$)

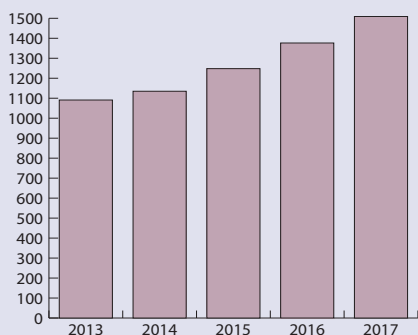
### ASSETS

Cash and Cash Equivalents	\$44,887
Deposits in Other Financial Institutions	45,304
Securities Available For Sale	155,623
<b>LOANS:</b>	
Personal Loans	\$389,210
Real Estate Loans	529,933
Commercial Loans	295,879
Allowance for Loan Losses	(9,744)
<b>TOTAL LOANS</b>	<b>1,205,278</b>
Premises and Equipment – Net of Depreciation	30,234
Foreclosed Assets	99
Other Assets	27,484
<b>TOTAL ASSETS</b>	<b>\$ 1,508,909</b>

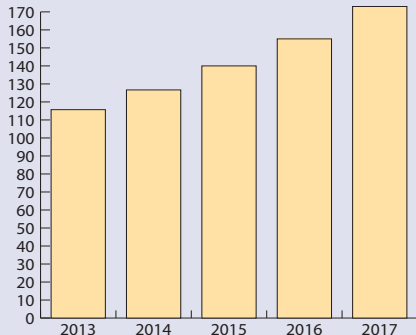
### LIABILITIES AND RESERVES

Liabilities	\$15,939
<b>SHARES:</b>	
Statement Savings	702,642
Variable Rate Savings	11,943
Funeral Trust Accounts	1,043
Share Drafts	193,534
Individual Retirement Accounts	64,837
Term Share Certificates	346,250
<b>TOTAL SHARES</b>	<b>1,320,249</b>
<b>RESERVES:</b>	
Members Equity	172,721
<b>TOTAL LIABILITIES AND RESERVES</b>	<b>\$1,508,909</b>

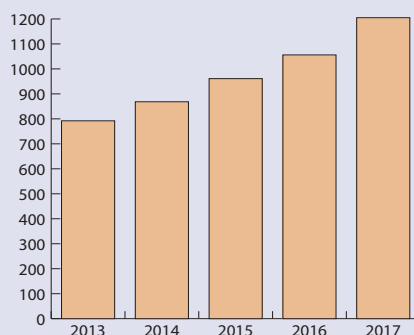
Assets



Members Equity



Loans



## STATEMENT OF INCOME

For the year ending December 31, 2017

In Thousands (\$)

### INTEREST INCOME

Interest on Loans	\$47,805
Loan Interest Rebate Paid	(2,615)
Interest on Investments	3,695
<b>TOTAL INTEREST INCOME</b>	<b>48,885</b>

### INTEREST EXPENSE

Members' Share and Savings Accounts	10,181
Patronage Dividend	451
<b>TOTAL INTEREST EXPENSE</b>	<b>10,632</b>
<b>NET INTEREST INCOME</b>	<b>38,253</b>
Provision for Loan Losses	2,650
<b>NET INTEREST INCOME AFTER LOAN LOSSES</b>	<b>35,603</b>

### NON-INTEREST INCOME

Service Fees	\$3,550
Other Non-Interest Income	11,378
<b>TOTAL NON-INTEREST INCOME</b>	<b>14,928</b>

### NON-INTEREST EXPENSE

Compensation and Benefits	\$17,701
Office Occupancy and Operations	8,282
Other Operating Expenses	7,446
Net Loss on Sale of Assets	74
<b>TOTAL NON-INTEREST EXPENSE</b>	<b>33,503</b>
<b>NET INCOME (Transferred to Reserves)</b>	<b>\$17,028</b>

## AUDIT COMMITTEE REPORT

To the Board of Directors and Membership of CoVantage Credit Union:

We have retained Wipfli LLP to perform a financial statement audit of CoVantage Credit Union as of December 31, 2017. Their audit report is on file at the Credit Union. Copies are available for inspection during regular business hours.

The audit they completed has been performed in accordance with auditing standards generally accepted in the United States and is performed to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Sincerely,

Karen J. Novak  
Audit Committee Chair



### FIELD OF MEMBERSHIP

Persons residing or employed in the following Wisconsin counties:

- Brown
- Florence
- Langlade
- Marathon
- Menominee
- Oneida
- Portage
- Shawano
- Vilas
- Wood
- Clark
- Forest
- Lincoln
- Marinette
- Oconto
- Outagamie
- Price
- Taylor
- Waupaca

Michigan counties:

- Dickinson
- Iron
- Menominee

Present students and/or alumni of:

- Post-secondary schools  
Marathon County

Any members of:

- The Servco FS Cooperative (f/k/a Farm Bureau Cooperative)

- Shawano Paper Mills Employees, merger effective 11/1/2008
- Marathon Rothschild Credit Union, merger effective 1/1/2012
- Existing customers of Northwoods National Bank; a branch of the Baraboo National Bank in Baraboo, Wisconsin (obtained 2/2016).
- Any members of record at the date of consolidation with Menominee Area Credit Union effective 9/30/17.

Any employees of:

- Little Rapids Corporation
- Shawano Mill
- Weber Veneer & Plywood Co
- Weyerhaeuser Co., Wisconsin

Immediate family members of:

- Eligible individuals as described in our current bylaws.