

2022

# Annual Report

YOUR TRUSTED  
FINANCIAL PARTNER  
IN ARIZONA SINCE 1951



## Message from the Board Chair and CEO

Throughout our 71 year history, Credit Union West has remained committed to our mission, “To inspire our members, employees, and communities to achieve their financial goals and enhance their quality of life.” This past year was no different, and it is our dedication to our mission that secured another successful year. On behalf of the Board of Directors and Credit Union West team, we are pleased to present the Annual Report for 2022.

As an important credit access point for our members, we had a record year granting loans to fulfill dreams and support healthier borrowing journeys. Our loan portfolio increased by 24.91%, our membership base grew by 6.09%, and we generated over \$14 million in net income.

It was a busy year for the Credit Union West team. With our focus centered on our members, employees, and the communities we serve, several initiatives were completed to support all three. We launched a new Voice of the Member Program with an industry expert to maximize our ability to receive productive feedback related to transactions, member-facing staff, new products, and ongoing relationships. Overall, our members responded that we are providing excellent service across all channels.

Positive changes also occurred to reduce or eliminate certain account fees. By eliminating non-sufficient funds fees and reducing overdraft fees, we saved our members almost \$125,000 in November and December of 2022.

We completed the highly anticipated renovation to our Luke Air Force Base branch, which served as our headquarters for many years. We also made significant progress on building a new stand-alone branch in Prescott Valley and refreshed the look and feel of our Avondale and Cottonwood branches. The need to modernize our branches and provide quality member experiences were the main drivers behind our branch construction projects.

To emphasize our commitment to provide community impact, we launched our Employee Volunteer Program. Our team members can now volunteer several hours each year at non-profits or similar organizations that align with their personal interests. We provided over 304 hours of impact during 2022 at several local organizations doing good in our communities.

Credit Union West was recognized as a ‘Top Company to Work For in Arizona’ by BestCompaniesAZ. This marks the tenth straight year the credit union has received the prestigious award based on employee survey results. Our commitment to being one of the best places to work allows us to attract and retain top talent. We’re proud that our employees view Credit Union West as a collaborative place to work that values their feedback.

In 2023, you can look forward to more branch locations, enhanced technology, and innovative communication channels to better serve you. As a member-owned, not-for-profit organization, our members continue to be at the heart of everything we do. We recognize that you are the key to our success. We thank you for your valued membership as we strive to provide the financial products and services that help you grow your financial success.



*Luis Gendreau*

**Luis Gendreau**  
BOARD CHAIR



*Karen Roch*

**Karen Roch**  
PRESIDENT AND CHIEF EXECUTIVE OFFICER

## Our Mission

To inspire our members, employees, and communities to achieve their financial goals and enhance their quality of life.

## Our Vision

To be your primary trusted financial services provider for life.

## Our Values

- Security
- Excellence
- Respect
- Vision
- Integrity
- Commitment
- Empowerment



LOANS ORIGINATED

 **2,841**  
NEW AUTO  
LOANS

 **3,887**  
USED AUTO  
LOANS

 **4,013**  
RECREATIONAL  
VEHICLE LOANS

**1,713**   
CREDIT CARDS  
ISSUED

 **841**  
HOME EQUITY LOANS

MEMBERSHIP

New Members:  
**4,929**  
Total Members:  
**85,868**

TOTAL ASSETS

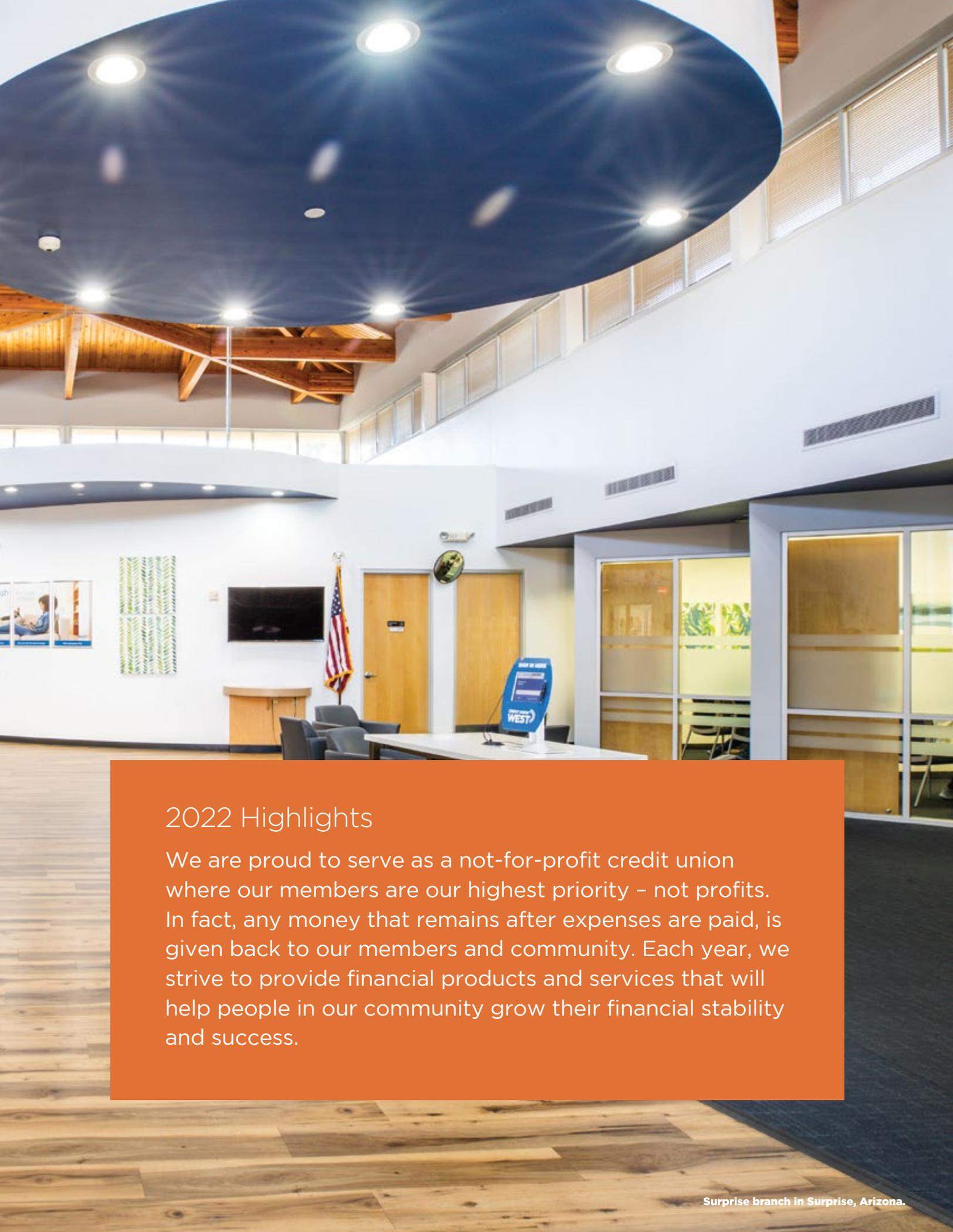
Our total assets:  
**\$1,117,757,319**

LOAN FUNDING

Funded **17,045**  
loans in 2022 for  
**\$508,006,566**



**Platinum Rewards** card holders redeemed over **35,907,007** reward points – that’s over **\$350,000** in cash, gift cards, travel and merchandise.



## 2022 Highlights

We are proud to serve as a not-for-profit credit union where our members are our highest priority – not profits. In fact, any money that remains after expenses are paid, is given back to our members and community. Each year, we strive to provide financial products and services that will help people in our community grow their financial stability and success.

# Member Impact

## Courtesy Pay Program Enhancements

We overhauled our Courtesy Pay Program to make banking more accessible and inclusive for all. Effective November 1, 2022, members with personal accounts at the credit union were no longer charged a \$35 fee for returned checks or a \$5 overdraft transfer fee. Additionally, the \$35 overdraft fee was reduced to \$25.

“We view these changes as positive steps to improving the financial lives of our members and increasing the value we provide to the community,” said Karen Roch, Credit Union West’s President and CEO. “We have a lot of hardworking Arizonans who are all on their own financial journey to success. Our objective here is to clear the path for those most in need of support to accomplish their goals.”

These fee changes are just another way Credit Union West is committed to our members’ financial health. By eliminating non-sufficient funds fees and reducing overdraft fees, we saved our members almost \$125,000 in November and December of 2022.

“We view these changes as positive steps to improving the financial lives of our members and increasing the value we provide to the community.”

Karen Roch  
Credit Union West | President and CEO

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## New Operation and Technology Efficiencies

This year, we completed a successful conversion to a new consumer lending platform, we transformed our eBranch to the all-new Member Contact Center, and we formed the Member Impact Team. Together, these have allowed us to offer better member experiences, stronger resolutions, and greater efficiencies for elevated member service.

## NCUA Low-Income Designation

We received the National Credit Union Administration (NCUA) low-income designation based on low-income thresholds recently reported to the U.S. Census Bureau. This designation makes our credit union eligible for possible grants and low-interest loans that, in-turn, will help us expand access to capital for local small businesses and build wealth within our community.



Surprise Branch Manager meets with member to review products and services.

## Voice of the Member Program

We kicked off the year by launching an all-new Voice of the Member Program that allows our team to identify and act on valuable member feedback. The program collects comments through digital surveys, online reviews, and in-person submissions, so members may share feedback wherever they may be, in real time. Our frontline staff and Member Contact Center (MCC) carefully review each comment and respond with resources or resolutions, to help meet the member's needs on a case-by-case basis. At the same time, senior leadership track global trends to develop data-driven strategies to benefit our credit union as a whole. For the year, every area surveyed earned an average score of nine or above out of ten for overall satisfaction.



## Community Impact

### Cell Phones for Soldiers

We are proud to be an official drop-off site for the Cell Phones for Soldiers Program that supports active-duty military members, military families, and veterans. Throughout the year, our branches collect cell phone donations for the organization who in turn provides monthly discounts on domestic wireless minutes and free international calling cards.

Since 2010, Credit Union West members and staff have donated 6,713 phones for active military and veterans!



Corporate and Westgate staff organize phone donations.



2022 Scholarship Winner Reception.

### Scholarship Program

We proudly provide community scholarships for local high school students each year. Our goal is to lessen the financial burden they may face and help students establish strong financial futures as they pursue their educational goals. The five winners are chosen based on their academic achievement, involvement in the community, and overall character. This year's scholarship recipients exemplified a commitment to furthering their education and improving their communities. We are pleased to support their educational journey.

### 2022 Scholarship Program Award Recipients

- **Carlos Zuniga**  
Mingus Union High School
- **Dylan Walia**  
Mountain Ridge High School
- **Jaidyn Jaacks**  
Sunrise Mountain High School
- **Jenna Alcantar**  
Greenway High School
- **Callie Oryall**  
Prescott High School, JROTC

**Giving Back** | Volunteer time: **304 hours** | Charity Donations

## EmployeesCARE Program

The EmployeesCARE Program privately raises money for non-profit organizations selected by our staff each year. The program is fully funded by the generosity of our credit union employees. This year, President and CEO, Karen Roch, challenged employees to increase giving by matching each donation with her own personal funds. In 2022, the EmployeesCARE Program gave over \$22,000 to the following non-profit organizations:

- Maggie's Place
- United Goodyear Firefighter Charities
- House of Ruth
- Arizona Helping Hands

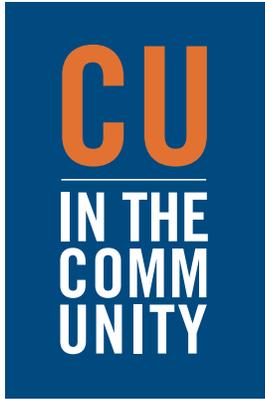


“We appreciate this donation so much, it’s such a gift,” Fankhauser said. “We try to really allocate the funds wisely and this will help us provide life-changing programs and ongoing services to help these moms become self-sufficient.”

Emily Fankhauser  
Maggie's Place | Director of Family Services

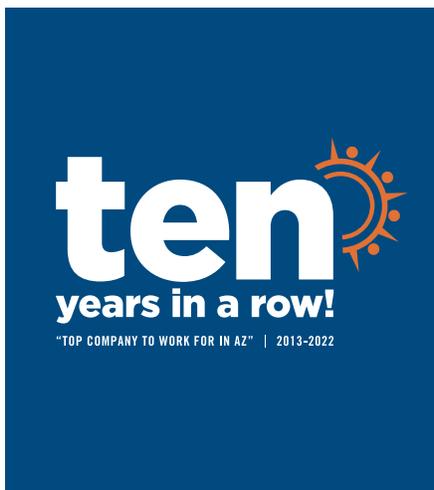


and Sponsorships: **\$46,176** | EmployeesCARE: **\$22,802.53**



“People are our greatest assets,” said Roch. “With many economic factors including staffing challenges, rising rates, and inflation, our employees have remained committed to each other, our members, and the communities we serve. We couldn’t have accomplished all that we did this year without such an amazing group of people.”

Karen Roch  
Credit Union West | President and CEO



## Tenth Year a 'Top Company to Work for in Arizona'

Credit Union West has a strong focus on employee engagement and satisfaction, with a CEO and executive team that is passionate about creating a culture that attracts and retains top talent. Once again, Credit Union West has been recognized as a 'Top Company to Work for in Arizona' by BestCompaniesAZ. This marks the tenth straight year our credit union has received the prestigious award based on employee survey results. 'Top Companies' has recognized the state's best employers since 2013.

This year we introduced new employee benefits to further support our employees and cultivate a great place to work. Anniversary Time Off is a paid day away from the office in honor of an employee's work anniversary. The new Volunteer Time Off gives full-time employees eight hours each year to give back through volunteer time in the community. From August through December of 2022, our employees volunteered individually and at sponsored events for a total of 304 hours, helping local non-profit organizations and further investing in our community.

"People are our greatest assets," said Roch. "With many economic factors including staffing challenges, rising rates, and inflation, our employees have remained committed to each other, our members, and the communities we serve. We couldn't have accomplished all that we did this year without such an amazing group of people."

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## Community Events

Our organization was built from a passion to help our members and employees build better futures through financial health and stability. We work towards this mission every day by listening to community needs through local partnerships. In addition to volunteer hours our employees give, the credit union gives back by sponsoring community events, providing financial education, and offering programs that benefit families and local businesses throughout Arizona. In 2022, the credit union supported the following organizations:

- Glendale Community College Innovation Challenge (1)
- St. Mary's Food Bank (2)
- Pendergast Elementary School Holiday Donations (3)
- Vitalant Blood Drive (4)
- OCJ Kids (5)
- A New Leaf Luncheon
- Check for a Lump
- Desert Mission Food Bank
- Fighter Country Air Force Ball
- Freedom Fest at Luke Air Force Base
- Glendale Chamber of Commerce 41<sup>st</sup> Annual Luke Shoot Out Golf Tournament
- Grapes 4 Good Annual School Auction
- Holiday Magic at Luke Air Force Base
- Pat's Run to benefit the Pat Tillman Foundation
- Phoenix Children's Hospital Ignite Hope Walk
- Verde Valley Fair
- Veteran's Medical Leadership Council Heroes Patriotic Luncheon
- Yavapai County Big Brothers-Big Sisters Bowl for Kids' Sake Event
- YMCA Whiskey Row Marathon

## Branch Openings and Refreshes

One of our focuses in 2022 was the remodel and refresh of select branch locations. Most notably, we completed a total remodel of our branch located on Luke Air Force Base in Glendale, Arizona and began construction of our new Prescott Valley location in Yavapai County.

### Luke

Our longest-standing location is on Luke Air Force Base, where our story began in 1951. We moved into the current building in 1971 where it served as a branch and our corporate office. Over the years, we've expanded and relocated the corporate office, but our home has always been at Luke Air Force Base.



Luke Air Force Base branch in Glendale, Arizona.

“I can’t tell you how proud I am of our remodeled branch,” said Karen Roch, President and CEO. “Luke Air Force Base has always been our first home and at the heart of who we are today. This space truly represents our vision as a primary trusted financial services provider for this community.”

Luke branch Grand Re-opening was held on November 9, 2022.

### Prescott Valley

In April, we broke ground on our much anticipated new location in Prescott Valley. The newly built 2,200 square foot branch features a larger, open-space lobby with high ceilings, three drive-thru lanes and expanded parking options for our members.

The new branch is conveniently located in the Glassford Hill Marketplace near popular retailers, Yavapai College, and Bradshaw Mountain High School.

“We’re thrilled about this next step in the relocation to a larger space in Prescott Valley,” said Ning Duong, Chief Operating Officer at Credit Union West. “Our members are at the heart of everything we do, and it’s because of our amazing members that we’re able to continue to grow our presence in northern Arizona.”





Kierland branch in Scottsdale, Arizona.

### **Kierland**

Though our Kierland branch opened its doors to members in 2020, we held a long-awaited Grand Opening and ribbon cutting for the branch on October 21, 2022. Local businesses, community leaders, and Credit Union West executives were in attendance.

This beautiful branch is located in the popular Kierland Commons shopping area in Scottsdale. Our Kierland branch has become the template for the design of our new branch locations. With sleek architecture and private desks for each teller, this branch provides a more modern approach to banking while keeping the personalized service you expect to find at Credit Union West.

### **Avondale and Cottonwood**

In 2022, we also gave a refreshed look to two established branch locations. Our Avondale and Cottonwood branches both opened in 2001 and this year they each received new flooring, paint, and decor. The renewed look provides an inviting and open space to better serve our members.



Surprise branch in Surprise, Arizona.

# Treasurer's Report

Connie Loveland | Senior Vice President, Chief Financial Officer

It was an interesting year with a lot of changes in the local and national economy. Inflation hit levels not seen in forty years which caused the Federal Reserve Bank to take action to slow the pace of increase. The Federal Reserve increased the Fed Funds Rate 425 basis points. This is the highest rate since 2007. Our members saw deposit rates increase significantly and, despite continued supply chain shortages, the "great resignation", and increasing cost of goods, Credit Union West stayed committed to our corporate mission.

In 2022, Credit Union West modified fees, refreshed the branch network, and rolled out innovative technology. With all these enhancements and the hard work from our member service representatives, we were able to provide \$508 million in new loans to our members. This contributed to the credit union's growth in total assets to \$1.1 billion, an increase of \$58 million or 5.52%. Our members had to manage money differently in 2022 due to the inflation and interest rate shifts. With the credit union's commitment to our members with competitive rates, deposits increased to \$960.3 million, an increase of \$21 million or 2.26%. With all of our products, competitive rates, online banking, and first-class service, the credit union once again grew. In 2022, we increased membership by 6.09% and now have over 85,000 members.

We added \$14.3 million to our members' equity which reached \$103.3 million at year-end.

The accompanying financial statements detail how Credit Union West finished 2022. Operating earnings were strong despite the rising cost of doing business. Credit Union West added \$14.3 million to our members' equity which reached \$103.3 million at year-end. One sign of financial stability is a credit union's net worth, which measures cumulative earnings over time. Under National Credit Union Administration (NCUA) regulations, a credit union's net worth must exceed 7% to be classified as "well-capitalized." Credit Union West's net worth ratio is significantly above that, finishing the year at 10.27%. These results demonstrate our continued commitment to financial strength and protecting our members' assets.

With growth and strong earnings, members can feel confident that Credit Union West is a sound financial institution that will continue to meet our members' needs and provide reliable financial resources well into the future.



**Connie Loveland**  
SENIOR VICE PRESIDENT  
CHIEF FINANCIAL OFFICER

# Supervisory Committee Report

Cynthia Griffin | Supervisory Committee Chair

Each year, your Board of Directors appoints a Supervisory Committee to serve as guardians of Credit Union West's financial security, including its internal control structure and processes. Our volunteer committee is responsible for and committed to ensuring that the credit union's financial records are maintained properly and accurately, and that the credit union is compliant with all applicable laws and regulations. We arrange for regular audit reviews of the credit union's financial practices and procedures. In short, we are committed to and diligently work for you. The Supervisory Committee concurs with both the external and internal audits conducted in 2022. We conclude that the condensed 2022 financial statements contained in the report are accurate and correct. Rest assured that the oversight and affairs of your credit union are being conducted in a sound and consistent manner. The Supervisory Committee has observed that Credit Union West's finances are being accounted for in accordance with Generally Accepted Accounting Principles (GAAP) in the United States of America.



**Cynthia Griffin**  
CHAIR



**Craig Heiser**  
VICE CHAIR



**Nancy Linxwiler**  
MEMBER



**RaAnn Wood**  
MEMBER

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## Chief Credit Manager's Report

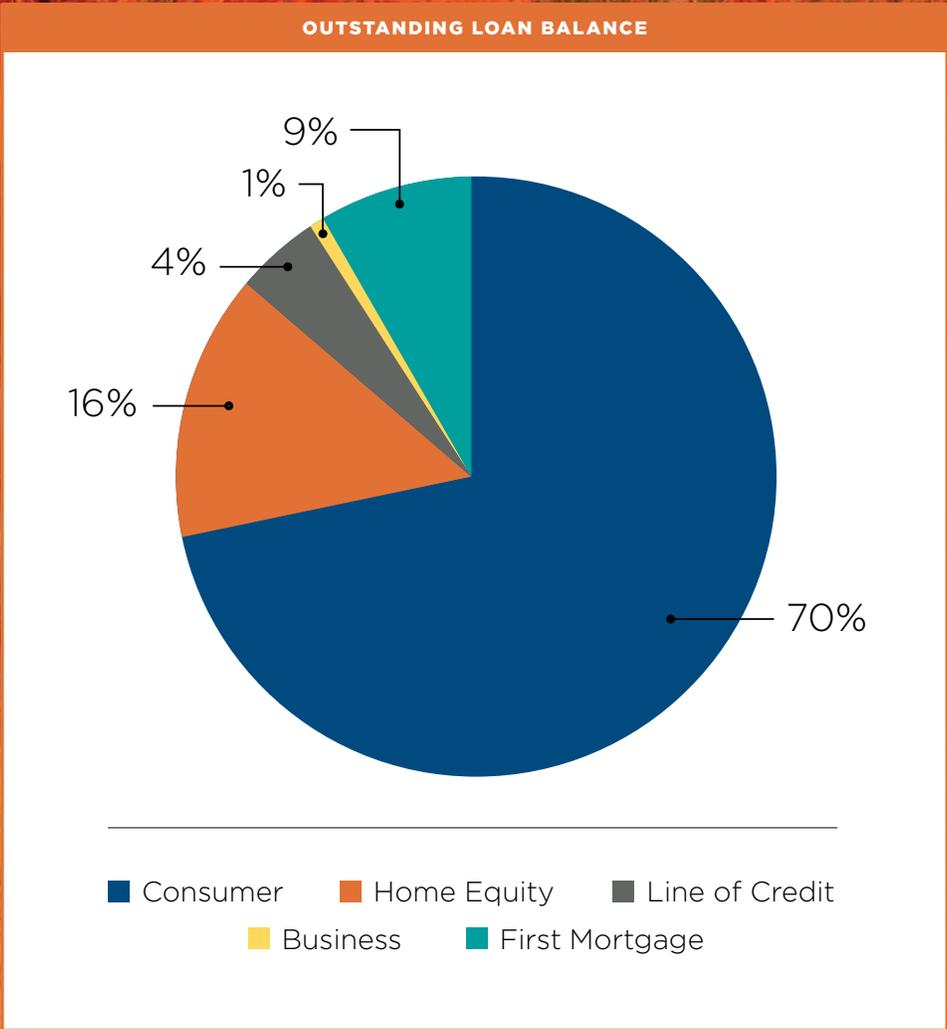
Bob Birr | Vice President, Chief Lending Officer

Credit Union West's loan portfolio increased by 24.91% in 2022. This is the largest percentage increase in the past 25 years, driven by record loan volume of over \$508 million. The record increase in net loan receivables of over \$185 million was driven by strong growth in several loan categories. Loan participations and third-party loans grew by just over \$30 million, accounting for just under 17% of the \$185 million in growth. The majority of loan growth was internally generated with strong growth in several categories: indirect lending grew 30.91%, home equity loans grew 28.64%, personal loans grew 28.08%, and credit cards grew 14.78%. The microchip shortage and supply chain issues continued to curtail new vehicle sales, which had the lowest volume of sales in a decade. However, Credit Union West increased market share and new vehicle receivables grew by 59.55%. Credit Union West focuses on maintaining a diversified lending portfolio of secured and unsecured loans with fixed and variable rate loans, helping to safeguard against potential credit and interest rate risks. Sound underwriting and effective collection practices, in addition to government stimulus to members impacted by the pandemic, resulted in a very low combined delinquency and charge off rate of .31% at year-end.



**Bob Birr**  
VICE PRESIDENT  
CHIEF LENDING OFFICER

# Financial Report

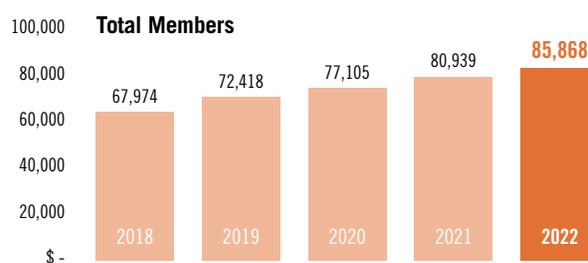
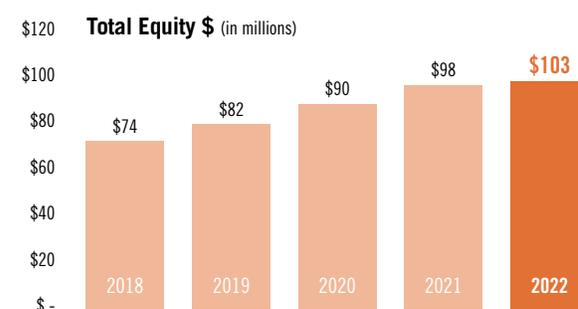
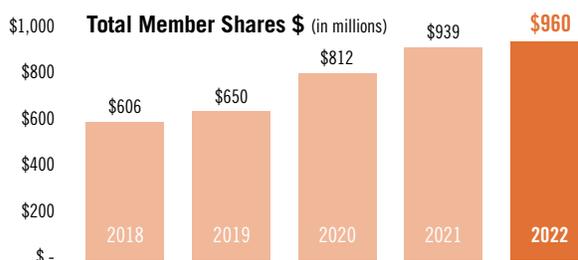
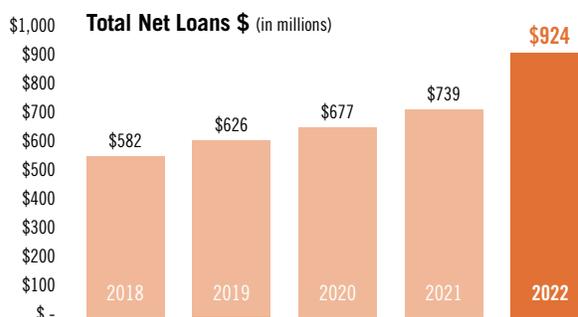
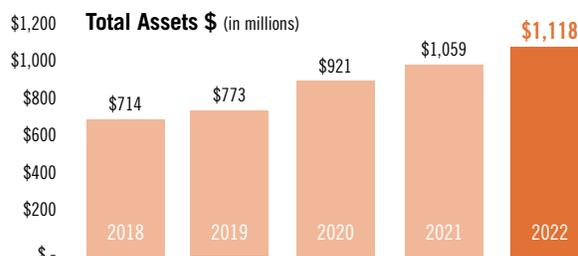


## STATEMENT OF FINANCIAL CONDITION

	December 31, 2022	December 31, 2021
<b>Assets</b>		
Net Loans	\$ 923,760,339	\$ 739,426,635
Cash and Investments	\$ 143,231,171	\$ 271,641,737
Total Net Fixed Assets	\$ 31,498,034	\$ 30,210,832
Other Assets	\$ 19,267,775	\$ 18,042,369
<b>Total Assets</b>	<b>\$ 1,117,757,319</b>	<b>\$1,059,321,573</b>
<b>Liabilities and Members' Equity</b>		
Liabilities	\$ 54,155,435	\$ 22,652,185
Shares and Certificates	\$ 960,337,011	\$ 939,073,394
Members' Equity	\$ 103,264,872	\$ 97,595,994
<b>Total Liabilities and Capital</b>	<b>\$ 1,117,757,319</b>	<b>\$1,059,321,573</b>

## STATEMENT OF INCOME

	December 31, 2022	December 31, 2021
<b>Income</b>		
Interest on Income	\$ 40,327,267	\$ 32,621,253
Investment Income	\$ 2,214,627	\$ 1,269,442
Other Income	\$ 12,595,529	\$ 12,900,592
<b>Gross Income</b>	<b>\$ 55,137,423</b>	<b>\$ 46,791,287</b>
<b>Expenses</b>		
Compensation & Benefits	\$ 18,229,095	\$ 17,718,631
Office Operating Expenses	\$ 6,297,269	\$ 7,936,944
Education & Advertising	\$ 831,895	\$ 865,786
Loan Servicing	\$ 5,497,253	\$ 5,764,768
Professional Services	\$ 3,569,401	\$ 1,433,347
Provision for Loan Loss	\$ 2,537,349	\$ 1,124,550
Other Expenses	\$ 242,561	\$ 95,326
<b>Total Operating Expenses</b>	<b>\$ 37,204,823</b>	<b>\$ 34,939,353</b>
<b>Income from Operations</b>	<b>\$ 17,932,600</b>	<b>\$ 11,851,934</b>
Less Dividends Paid to Members	\$ 3,123,615	\$ 3,843,849
Less Interest Paid on Borrowed Funds	\$ 539,362	\$ -
Less Loss on Disposition of Assets	\$ -	\$ (156,024)
<b>Net Income</b>	<b>\$ 14,269,623</b>	<b>\$ 8,164,109</b>



# Credit Union West Leadership

## BOARD OF DIRECTORS



**Luis Gendreau**  
CHAIR



**Edward Logan**  
VICE CHAIR



**Ray Boucher**  
DIRECTOR



**Jonathan Ford**  
DIRECTOR



**Donald Jackson**  
DIRECTOR



**Frances Laguna**  
DIRECTOR



**Gary Larberg**  
DIRECTOR



**Jerry Oliver**  
DIRECTOR



**Wanda Tyus**  
DIRECTOR

## EXECUTIVE MANAGEMENT



**Karen Roch**  
PRESIDENT  
CHIEF EXECUTIVE OFFICER



**Ning Duong**  
SENIOR VICE PRESIDENT  
CHIEF OPERATING OFFICER



**Connie Loveland**  
SENIOR VICE PRESIDENT  
CHIEF FINANCIAL OFFICER



**Bob Birr**  
VICE PRESIDENT  
CHIEF LENDING OFFICER



**Cheryl Brown**  
VICE PRESIDENT  
CHIEF PEOPLE OFFICER



**Seth Baker**  
VICE PRESIDENT  
INFORMATION TECHNOLOGY



**Jaime Burt**  
VICE PRESIDENT  
ADMINISTRATION



**Diana Cruz**  
VICE PRESIDENT  
ENTERPRISE RISK  
MANAGEMENT



**Danielle Green**  
VICE PRESIDENT  
BRANCHES



**Ryan O'Connor**  
VICE PRESIDENT  
MARKETING AND  
COMMUNICATIONS



**Kelly Poldoski**  
VICE PRESIDENT  
FINANCE



**Manny Ruiz**  
VICE PRESIDENT  
BUSINESS SERVICES

## Award-Winning Credit Union

- **100 Best Companies in Arizona**  
by BestCompaniesAZ
- **Best of the Desert: West Valley**  
by AZ Central
- **Best of Glendale**  
by Glendale Star
- **Best of Peoria**  
by Peoria New Times
- **Forbes' Best-In-State Credit Unions 2022**  
by Forbes
- **Ranking Arizona: Best of AZ Business**  
by AZ Big Media
- **Top 10 Credit Unions in Arizona**  
by AZ Big Media
- **Top Companies to Work for in AZ**  
by BestCompaniesAZ
- **Karen Roch**  
Excellence in Banking  
by AZ Big Media
- **Karen Roch**  
Most Influential Women of 2022  
by AZ Big Media
- **Karen Roch**  
Most Powerful Women in Credit Unions, 2022  
by American Banker
- **Ning Duong**  
The Top 50 Women Leaders in Arizona for 2022  
by Women We Admire
- **Marketing**  
Annual Report MAC Award  
by Marketing Association  
of Credit Unions



**CREDIT UNION**  
**WEST** 

# Branch Locations

## **Arrowhead**

20155 N. 67th Avenue  
Glendale, AZ 85308

## **Avondale**

503 W. Van Buren Street  
Avondale, AZ 85323

## **Cactus**

6777 W. Cactus Road  
Peoria, AZ 85381

## **Cottonwood**

1672 E. Cottonwood Street, Suite C  
Cottonwood, AZ 86326

## **Kierland**

14601 N. Scottsdale Road, Suite 115  
Scottsdale, AZ 85254

## **Luke Air Force Base**

13708 W. Glendale Avenue  
Luke AFB, AZ 85307

## **Osborn Campus**

3604 N. Wells Fargo Avenue, Suite A  
Scottsdale, AZ 85251

## **Prescott**

528 W. Gurley Street  
Prescott, AZ 86301

## **Prescott Valley**

3650 N. Glassford Hill Road  
Prescott Valley, AZ 86314

## **Sun City West**

19436 N. R.H. Johnson Boulevard  
Sun City West, AZ 85375

## **Surprise**

16765 N. Litchfield Road  
Surprise, AZ 85374

## **Westgate**

10150 W. Desert River Boulevard, Suite B-170  
Glendale, AZ 85307

**800.621.0287 | 602.631.3200 | 928.778.7156**

**[cuwest.org](http://cuwest.org)**



Federally Insured by NCUA

