

CLEAN ENERGY

CREDIT UNION



2018 Annual Report
Annual Meeting on May 20, 2019

Agenda

- Verify quorum (15+ members)
- Review annual meeting minutes from May 21, 2018
- CEO Report
- Board of Directors election results
- Report from our Board of Directors
- 2018 Financial Report
- Report from our Supervisory Committee
- Report from our Credit Committee
- Q&A → *please save your questions until the end*

Annual meeting minutes from May 21, 2018

Announce initial board of directors

1-year term: Dan Kester and Tom Teynor

2-year term: Paul Melamed and John Emrich

3-year term: Michelle Greenfield, Dan Yechout, and Blake Jones

Report from the CEO, Terri Mickelsen

Federal charter obtained in September 2017

Our "soft launch" resulted in the first 183 members joining from Feb-May 2018

First clean energy loans were made in April 2018

Online banking portal will go live this week - we will send registration e-mail to all members

Our official launch and national membership drive will begin later this month - please help spread the word

Report from the Board of Directors by Board Chair, Blake Jones

As of May 15, 2018:

Total members: 183

Total deposits: \$730,096

Total loans approved and "in the pipeline": 28 totaling \$287,240

Total loans originated: 5 totaling \$208,939

Announce initial Supervisory Committee members

Amanda Bybee, Jennifer Meyers, Sonya Jarvis

Report from the Supervisory Committee by Amanda Bybee

Currently auditing all policies

Ready to audit credit union activities as they ramp up

Q&A from Members

Report from our CEO

Building something you believe in is easier said than done. For those of you who were our early members and supporters, you may remember that our journey took a few detours – and over 4 years – before we were able to officially open our “virtual doors” in 2018. We wouldn’t be here without you – thank you!!! Together, we’ve done something that hasn’t been done before: we’ve successfully started a new, online-only credit union that’s focused exclusively on growing the clean energy movement and protecting the environment. Each day, we work to deliver on our mission: “to promote clean energy, environmental stewardship, and cooperative enterprises through the financial services we provide to our members.” In our inaugural year, we were excited to see our hard work put into action, and this presentation, we’re excited to share with you our collective accomplishments from 2018.



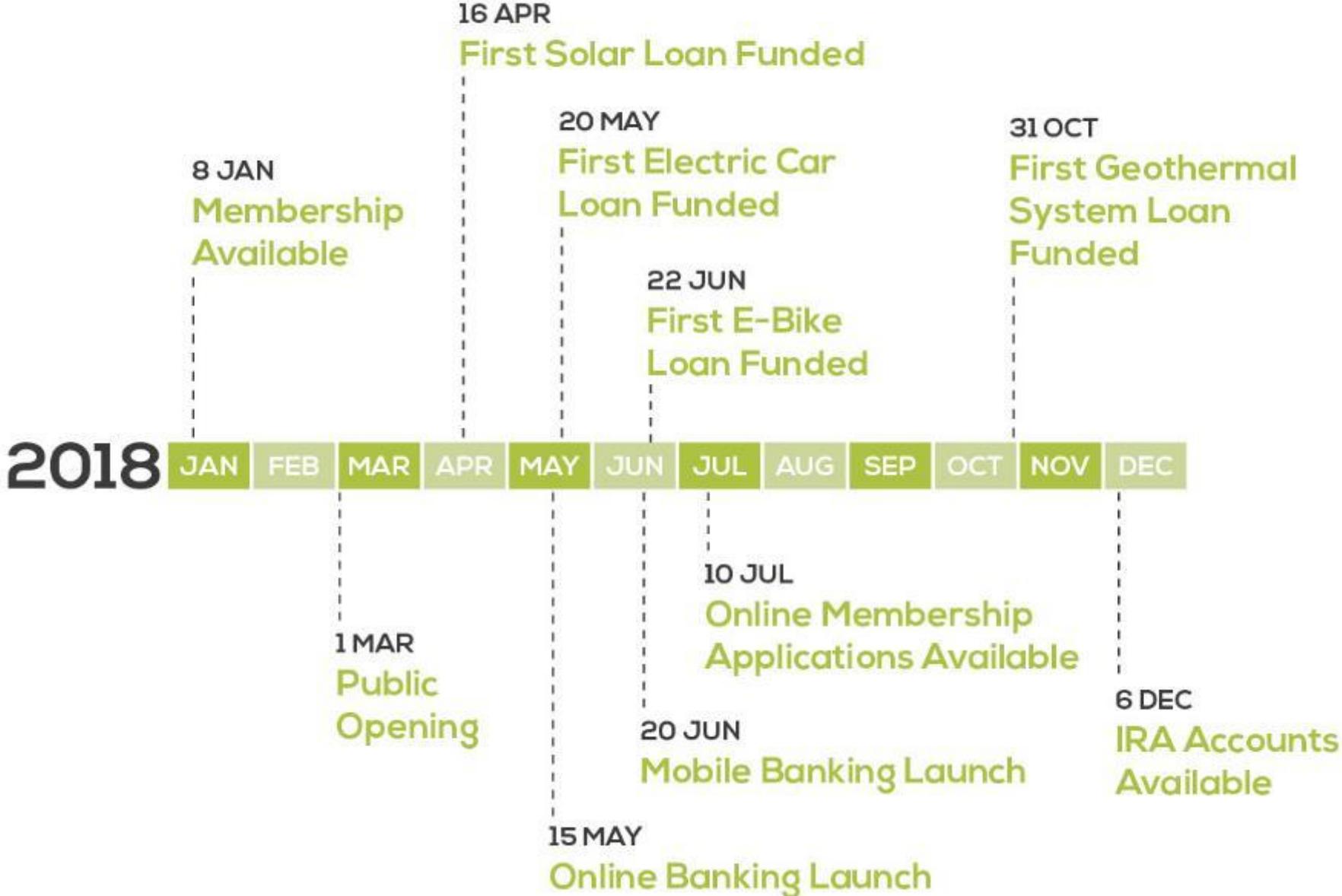
Terri Mickelsen, CEO

We made substantial progress in our first year

As of December 31, 2018

- Number of Members: 597
- Member Deposits: \$4.1 million
- Loans Outstanding (#): 217
- Loans Outstanding (\$): \$3.8 million
- Net Income / Members' Equity: \$0.6 million
- Donations Received: \$1.0 million
- Net Operating Income: (\$0.4 million)
- Tons of CO₂ offset (estimated): 15,000+

We passed many milestones along the way



Our loans make it easier and more affordable for members to pursue their clean energy projects



Our loans make it easier and more affordable for members to pursue their clean energy projects

As of December 31, 2018

Loan Type	Cumulative # Loans Funded	Cumulative \$ Loans Funded
Solar PV Systems	159	\$1.8 million
Electric Vehicles	50	\$1.9 million
Green Home Improvements / Other	14	\$0.17 million
TOTAL	223	\$3.9 million

Our clean energy loans are made possible by our collective member deposits

As of December 31, 2018

Deposit Type	# of Accounts	\$ in Accounts
Savings Accounts	597	\$2.4 million
Clean Energy CDs	19	\$1.7 million
TOTAL	616	\$4.1 million

Clean Energy Credit Union's efforts and innovation are being recognized by others

- We were featured in 10+ articles
 - Solar Today, Solar Power World, Treehugger, etc.
- We were featured in 6 podcasts and videos
 - EVWORLD, Local Energy Rules, US Green Building Council, etc.
- We received 2 awards for innovation
 - BizWest, State of Colorado



Report from our Board of Directors

Our 2018 Board of Directors was comprised of these seven members:



Michelle Greenfield



Blake Jones



Paul Melamed



Dan Yechout



Dan Kester



Tom Teynor



John Emrich

Board of Directors Election Results

Our 2018 Board of Directors was comprised of these seven members:



Michelle Greenfield



Blake Jones



Paul Melamed



Dan Yechout

Dan and
Tom's term
expired



Dan Kester



Tom Teynor



John Emrich

John resigned
with 1 year
remaining
→ Thank you
for serving,
John!!

Board of Directors Election Results

Our 2019 Board of Directors is now comprised of these seven members:



Michelle Greenfield



Blake Jones



Paul Melamed



Dan Yechout



Dan Kester



Tom Teynor



Brad Blackwell

Dan and Tom
were re-elected –
Congratulations!!

Welcome
Brad!!

Fundraising – Results To Date

We've received over \$1.6M in donations from:

- 6 foundations
- 9 companies
- 600+ individuals

→ **THANK YOU TO ALL OUR DONORS!!**



Fundraising – Future Outlook

- Our goal is to raise another \$3.5M in donations in 2019-2021
- Each \$1 in donations allows us to accept \$14 in deposits
- We were invited to submit a \$1M grant application (which includes a \$500k “matching grant”) to the:



- Please let us know if you know any environmental foundations or potential donors that might be a good fit

Our credit union is investing in technology and personnel to expand its offerings in 2019

Coming soon before the end of 2019:

- Checking accounts
- Debit cards
- Money Market accounts
- Online loan applications (for faster loan decisions)
- Longer term loans and higher loan limits
- “Shared branch” and “shared ATM” services at partner credit union branches across the U.S.
- Continued enhancements to our online and mobile banking applications

Thank you to our Staff

We're so grateful to have such an amazing team of staff who are passionate about our credit union and its mission. Thank you for all of your hard work and dedication!!



Terri Mickelsen
CEO



Ejaye Gilbert
Lending &
Member Services



Rick Tazelaar
Strategic
Partnerships



Heath Norman
Member Services



Allison Brickner
Member Services
Intern

Report from the Supervisory Committee

Our Supervisory Committee is currently comprised of these three members:



Jennifer Meyers



Amanda Bybee



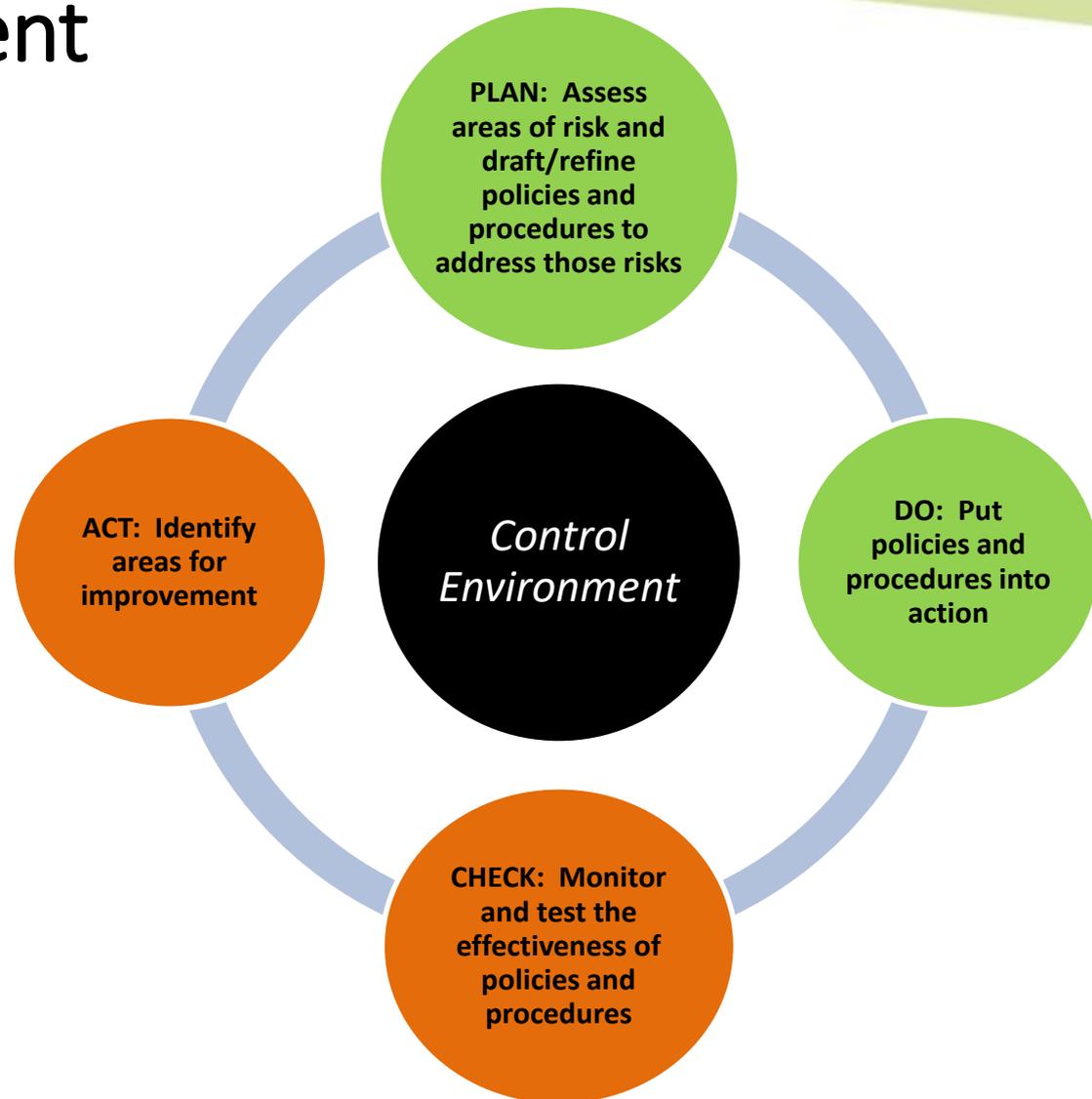
Amanda Kobza

The purpose of the Supervisory Committee is to ensure that:

- The policies established by the Board of Directors are being properly administered
- Management has established a control environment adequate to safeguard the Credit Union's assets
- Accounting records and financial reports are timely prepared and accurately reflect the Credit Union's financial condition and results of operations.

Control Environment

- A *Control Environment* is made up of an entity's organizational structure, processes, policies, and standards that are utilized to safeguard assets.
- Maintaining an effective control environment requires a “continuous improvement” mindset, which can be illustrated by the Deming cycle shown on the right. The Supervisory Committee provides support to management in the “Check” and “Act” phases of the cycle.



2018 Audits and Reviews

- The Supervisory Committee conducted 12 internal reviews during 2018, providing several recommendations to management to further enhance the control environment.
- In addition, an independent review of the Credit Union's 2018 financial records and accounting operations (called "Agreed Upon Procedures"*) was completed by the firm, Holben Hay Lake Balzer CPAs LLC, which also resulted in a number of recommendations for improvement.

***Management has provided satisfactory responses/
plans of action for all recommendations.***

**Note: An opinion audit is not required for credit unions under \$500MM in total assets.*

2018 Financial Report

Summary Balance Sheet

As of December 31, 2018

Unaudited and Rounded

Loans	\$3,766,500
Less Allowance for Loan Losses	<u>(32,400)</u>
Net Loans	3,734,100
Cash and Investments	1,059,600
Other Assets	<u>84,800</u>
Total Assets	<u><u>\$4,878,500</u></u>
Total Liabilities	\$217,200
Members' Equity (Shares)	4,064,100
Net Worth	<u>597,200</u>
Total Liabilities and Equity	<u><u>\$4,878,500</u></u>

Summary Income Statement

For the year ended December 31, 2018

Unaudited and Rounded

Interest Income	\$43,500
Cost of Funds	<u>(10,400)</u>
Net Interest Income	33,100
Provision for Loan Losses	(32,400)
Non Interest Income	5,300
Operating Expenses	(424,300)
Donations	<u>1,015,500</u>
Net Income	<u><u>\$597,200</u></u>

Key Ratios

Loan to Share Ratio	92.7%
Loan to Assets Ratio	77.2%
Return on Assets (ROA)	12.2%
Delinquency Ratio	0.0%
Net Worth Ratio	12.2%

Report from our Credit Committee

Our Credit Committee is currently comprised of these three board members:



Michelle Greenfield



Paul Melamed



Blake Jones

The primary purpose of our Credit Committee is to:

- Assist the Board of Directors in reviewing credit policies and risk
- Take a closer look at member loan applications that fall outside of our normal underwriting guidelines

Report from our Credit Committee

- In 2018, our Credit Committee reviewed 15 member loan applications:
 - 10 approvals
 - 5 rejections
- In 2019, our Credit Committee will be surveying many of our members to ask about their overall experience in getting a loan from Clean Energy Credit Union

How can our Members help?

- 1) Apply for a loan if you need financing (or re-financing) for an electric vehicle or clean energy project.
- 2) We need more deposits to keep up with our ever-growing loan demand. Please consider depositing more in your account, and please tell your friends how joining our credit union and making a deposit will directly support clean energy projects.
- 3) As we grow we'll be looking for more mission-aligned people to join our Staff team. Please refer your friends who have credit union, banking, or lending experience.
- 4) Tell us how we're doing! Please provide your feedback and help us improve our services. Also, please share your for how we can address the growing needs of the clean energy movement.

CLEAN ENERGY

CREDIT UNION



Q&A

Any questions?