

COLORADO
CREDIT UNION
COME BANK WITH US

2013
ANNUAL REPORT



YEAR IN REVIEW

MISSION STATEMENT:

Our goal is to foster lifelong financial relationships with exceptional member service, one member at a time.

PRESIDENT'S REPORT: MIKE WILLIAMS

Colorado Credit Union was founded on the principle that our members come first, and that philosophy has never changed. This past year we had the privilege of celebrating 40 years in business, and 2013 marked one of the most successful and profitable years in our history with our net income surpassing just over one million dollars.

In keeping with our philosophy, our products and services continue to be geared toward the benefit of you our members and the communities we serve. Our exceptional loan growth in both consumer and mortgage loans, has caused us to become a fixture of strength amongst our competitors, proving that our credit union is SAFE, SOUND and SECURE. We continue to offer extremely low rates, from auto loans as low as 1.99% APR* to multiple mortgage loan options, including home equity loans. With a multitude of products and services, as well as the capability to offer other unique services, such as on-site mortgage loan originators, we are able to customize and accommodate our members' needs first hand.

Part of maintaining our profitability is the ability to grow and expand our horizons. Colorado Credit Union is pleased to announce that, at the end of 2013, we acquired through a merger, Englewood Federal Credit Union and its loyal members, including the City of Englewood employees. This opportunity was voted on unanimously by their Board, and we look forward to our involvement with the community and the City of Englewood. We are also pleased to announce that we will be expanding in 2014 with our new branch in Brighton, CO. This new location, on the corner of 27th Avenue and Bridge Street, will allow us to better serve our members and the community of Brighton.

As part of our service standards, we promise to identify your needs and provide personalized service. This past year as seen in the news, we saw multiple instances of nationally known merchants having their systems compromised and personal data placed at risk. We took a proactive approach with some of our members by replacing their debit and credit cards used at these locations, and our systems personally were never compromised. Your credit union works diligently around the clock in order to maintain the security of your data. Along with ensuring the safety of our members' data, we also work hard to stay abreast of the latest technology applications and product offerings. Therefore, we are pleased to announce that, during the second quarter of 2014, we will be launching our new "Mobile Deposit Capture App," allowing you to make deposits directly from your smart phone. This application, along with your access to our mobile banking app, online banking, and the Shared Branching Network, will allow you ease and access to your accounts 24/7.

All of us here at Colorado Credit Union remain committed to providing you with the tools and services required to meet your needs. On behalf of myself, the Board of Directors, Supervisory Committee, Management Team and staff, we are proud to have your business and thank you for trusting us as your financial partner.

CHAIRMAN'S REPORT: GEORGE FASS

Life is a journey, and through our journey our main purpose has always been to help you achieve your financial goals and dreams. This past year Colorado Credit Union celebrated 40 years in business, and it's amazing to see all of the accomplishments, growth and success we have had.

At the start of the New Year, it was pretty apparent that our economy was starting to change. But, not all change is good. The banking industry and some in Congress began to orchestrate a major push to eliminate the tax exempt status on not for profit identities such as Colorado Credit Union. We requested your help and your voice, along with 96 Million other credit union members', was heard. The national campaign "Don't Tax My Credit Union," gained momentum throughout the year, and our State Senators and National Representatives took notice. While we have gained a reprieve at this time, it is still important that we continue the fight. Imposing a tax on Colorado Credit Union would eliminate our ability to provide lower loan rates, higher dividends, lower fees and additional benefits you have come to enjoy as members.

2013 was also time of extreme growth for Colorado Credit Union. We experienced one of our most successful years thus far with over 1 million dollars in net income. Our on-site mortgage department processed 300 mortgage loans totaling \$77,551,185. We also continued to outperform our peers with our extremely low auto loan rates and extremely competitive mortgage products.

Colorado Credit Union also continued to explore ways to expand our footprint in servicing our members. During the latter half of 2013, we were fortunate to acquire, through a merger, Englewood Federal Credit Union and their 600+ members through the City of Englewood. We also began exploring real estate in the Brighton area for a new branch location, which had better accessibility for our members and select employer groups in the Brighton area. We are pleased to announce that, before the end of 2014, our new location will be at the corner of Bridge and 27th Street. We also continued to grow and stay abreast with our technology offerings including "Mobile Deposit Capture," which will be released in 2014.

The strength and successes of Colorado Credit Union are evident in the support that we receive from YOU. By entrusting us with your financial wellness and the referrals you continue to give to your peers, family and friends – we remain SAFE, SOUND, and SECURE.

On behalf of our entire organization, thank you for banking with Colorado Credit Union.

SUPERVISORY COMMITTEE: GREG VIERGUTZ

The Supervisory Committee retained an independent accounting firm, Holben Hay Lake Balzer, CPAs, to perform a financial statement audit as of December 31, 2013. The Supervisory Committee is pleased to report that the audit resulted in an unqualified opinion.

Additionally, the Colorado Division of Financial Services examines Colorado Credit Union's records and financial statements on a regular basis.

TREASURER'S REPORT: PAUL PATRICCA

2013 was a record year for Colorado Credit Union with Net Income totaling \$1,013,000 for a 0.89% Return on Average Assets (ROAA). Total Assets increased to \$117,966,000, or 8.43%. Total Member Deposits increased to \$105,049,000, or 7.15% and Total Loans increased by 39.29% to \$90,011,000. Net Capital increased to \$11,403,000, or 9.75% of Total Assets.

The economy in Colorado has improved and thus, Colorado Credit Union's loan delinquency and losses remain well below national averages at 0.05% and 0.15%, respectively.

Colorado Credit Union's Board of Directors and Staff remain committed to providing value to our membership through competitive loan and deposit rates and by offering products and services that meet your needs. We would like to thank you for your business this past year, and we look forward to an exceptional 2014!

FINANCIAL STATEMENTS:

STATEMENTS OF FINANCIAL CONDITION

Assets	<u>2011</u>	<u>2012</u>	<u>2013</u>
Loans	\$ 64,136,000	\$ 64,623,000	\$ 90,011,000
Allowance for Loan Losses	\$ 596,000-	\$ 580,000-	\$ 468,000-
Investments Including Cash	\$ 29,331,000	\$ 34,849,000	\$ 22,210,000
Fixed Assets	\$ 2,508,000	\$ 2,453,000	\$ 2,410,000
Other Assets	\$ 6,387,000	\$ 7,446,000	\$ 3,803,000
Total Assets	\$ 101,766,000	\$ 108,791,000	\$ 117,966,000
Liabilities and Equity			
Liabilities	\$ 451,000	\$ 610,000	\$ 459,000
Borrowings	\$ -	\$ -	\$ 1,055,000
Member Shares and Deposits	\$ 92,168,000	\$ 98,041,000	\$ 105,049,000
Equity	\$ 9,147,000	\$ 10,140,000	\$ 11,403,000
Total Liabilities and Equity	\$ 101,766,000	\$ 108,791,000	\$ 117,966,000

STATEMENTS OF INCOME

Income	<u>2011</u>	<u>2012</u>	<u>2013</u>
Interest on Loans	\$ 3,777,000	\$ 3,720,000	\$ 4,034,000
Income from Investments	\$ 488,000	\$ 329,000	\$ 328,000
Other Income	\$ 1,680,000	\$ 2,619,000	\$ 2,480,000
Total Income	\$ 5,945,000	\$ 6,668,000	\$ 6,842,000
Operating Expenses			
Employee Compensation	\$ 2,077,000	\$ 2,376,000	\$ 2,503,000
Travel and Conferences	\$ 38,000	\$ 59,000	\$ 57,000
Office Occupancy	\$ 298,000	\$ 274,000	\$ 262,000
Office Operations	\$ 869,000	\$ 995,000	\$ 1,028,000
Marketing and Promotional	\$ 172,000	\$ 107,000	\$ 104,000
Loan Servicing	\$ 545,000	\$ 942,000	\$ 1,011,000
Professional and Outside Services	\$ 191,000	\$ 197,000	\$ 273,000
Other Operating Expenses	\$ 369,000	\$ 219,000	\$ 221,000
Provision for Loan Losses	\$ 207,000	\$ 151,000	\$ -
Total Operating Expenses	\$ 4,766,000	\$ 5,320,000	\$ 5,459,000
Dividend and Interest Expense			
Dividend and Interest Expense	\$ 606,000	\$ 411,000	\$ 344,000
Other Non-Operating Expense	\$ 31,000-	\$ 7,000	\$ 26,000
Net Income	\$ 604,000	\$ 930,000	\$ 1,013,000