



COLORADO

CREDIT UNION

COME BANK WITH US

ANNUAL REPORT



2014

“PEOPLE HELPING PEOPLE”

Mission Statement:

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

CHAIRMAN'S REPORT: George Faas

The credit union philosophy has always been about "People Helping People." Here at Colorado Credit Union, we work hard to give back to the communities we serve. This past year we were able to accomplish this endeavor by sponsoring multiple community events in Brighton, Englewood, and Littleton. Along with these activities, we also ran a special summer promotion to benefit Colorado Children's Hospital. Through your efforts and that of our staff, we were able to donate a check for \$8,850.05. We also have been a proud supporter of the SW Jeffco Food for Thought Bak Pak program, which provides weekend meals for underprivileged children and teens at 11 schools in the Southwest Jefferson School District. Just this past school year, Colorado Credit Union has assisted in providing 6,756 meals; as well as donating just over \$7,500 the past three years. Along with these endeavors, we also have supported scholarship opportunities for the 27J Brighton School District and many other contributions along the way.

This past year it became even more evident that cyber criminals, data breaches, and identity theft cases were and still are on the rise. Colorado Credit Union takes a proactive approach to ensuring that your member data is safe and secure. Our Information Technology Department and their teams, along with our Fraud Department are always actively monitoring our networks and member accounts 24/7. Protecting our members from the unauthorized use of their credit/debit cards is a top priority. If we find suspicious activity is happening on any of your accounts, one of our fraud specialists will contact you to verify the transactions in question. To ensure that we can reach you promptly, it is imperative that we have your current contact information on file. This information includes your primary contact number, your cell phone, if relevant, email, and your current mailing address. To help us avoid any delays in response to fraud alerts, suspicious activity or important information regarding your account, we encourage you to contact us and verify if your information is current.

As you recall, in 2009, we completed a merger with Brighton Federal Credit Union. During the negotiation process of this merger, we made a commitment to relocate the branch to a more visible area in Brighton. During 2014, we purchased an existing bank facility located at the corner of 27th and Bridge Street and began extensive modifications for an April 2015 opening. We have also scheduled our April Board Meeting and Annual Membership Meeting to be held at the new branch on April 22, 2015. Our commitment to the Brighton community remains strong and with a new visible location we are planning on an even larger presence in the Brighton market.

Colorado Credit Union continues to be "SAFE, SOUND, AND SECURE," in all areas of our organization; from continued asset & loan growth to new membership and products & services. This past year we also expanded our field of membership to include Arapahoe and Weld Counties. Therefore, anyone who is living or working in Jefferson, Adams, Douglas, and now Arapahoe and Weld counties can join our credit union. These expansions help solidify the growth capabilities of our credit union; allowing us not only to grow our assets, but give back to our members as well.

All these endeavors would not be possible without the support of our members, and your referrals to family, friends & co-workers. Thank you for entrusting Colorado Credit Union with your financial needs, and we look forward to serving you in 2015.

PRESIDENT'S REPORT: Mike Williams

Thank you to all of our members for making Colorado Credit Union the organization it is today. It's always nice to look back and reminisce about the amazing journey we have traveled together. 2014 was a year of new beginnings and exceptional growth. We completed our merger with Englewood Municipal Federal Credit Union; the transition went smoothly, and we continue to increase members at this location steadily each month.

During the year, we also started the remodeling on our new Brighton Branch facility located at 2380 E. Bridge Street. This endeavor required a complete modification of an existing bank building we purchased. Through the efforts of our staff, and various local contractors; we were able to create a miniature version of our Corporate Headquarters located in Littleton. With the new location located at the corner of 27th/Bridge, it brings heighten awareness to Colorado Credit Union; and furthers our opportunity for community outreach.

2014 was also an exceptional year for financial growth. We continue to be at the top of the ranks amongst other credit unions here locally, and we were recognized as one of the "Top 200 Healthiest Credit Unions," across the nation. With our strict internal policies and procedures, we have safely continued to increase our assets to \$130 million dollars. A significant contributor to this success is due in fact to our robust in-house mortgage loan department, and our significantly low delinquency rating.

This past year many of you took the opportunity to voice your opinions on how we are doing. We received a lot of positive feedback; along with some great suggestions. We have always prided ourselves in answering our telephones; however with our increase in membership this often caused a wait time. With our new Brighton Branch, we are happy to announce that we now have an internal call center, equipped with three full-time employees. This change has allowed for less wait time in the lobbies, as well as faster call times.

As we look at the horizon, we are extremely excited at what the future holds. We are currently in the process of upgrading our online banking platform, which will be available to our members' mid-summer 2015; along with a new mobile banking app. This new system has more robust features utilizing today's latest technology. With the added benefits of "Mobile Deposit," that was launched during 2014; we will have developed a fully integrated solution for your remote banking needs.

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

SUPERVISORY COMMITTEE: Tom McFall

The Supervisory Committee retained an independent accounting firm, Holben Hay Lake Balzer, CPAs, to perform a financial statement audit as of December 31, 2014. 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

2014 was a good year for Colorado Credit Union with Net Income totaling \$843,429 for a 0.69% Return on Average Assets (ROAA). Total Assets increased to \$124,831,877, or 5.75%. Total Member Deposits increased to \$111,328,966, or 5.98% and Total Loans decreased slightly by 0.15% to \$89,041,427. Net Capital increased to \$12,357,825, or 9.90% of Total Assets.

The economy in Colorado continues to be strong and thus, Colorado Credit Union's loan delinquency and losses remain well below national averages at 0.12% and 0.08%, 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 2015!

STATEMENTS OF FINANCIAL CONDITION

Assets	<u>2012</u>	<u>2013</u>	<u>2014</u>
Loans	\$ 64,623,000	\$ 90,011,000	\$ 89,041,000
Allowance for Loan Losses	\$ 580,000-	\$ 468,000-	\$ 395,000-
Investments Including Cash	\$ 34,849,000	\$ 22,210,000	\$ 26,664,000
Fixed Assets	\$ 2,453,000	\$ 2,410,000	\$ 3,770,000
Other Assets	\$ 7,446,000	\$ 3,803,000	\$ 5,752,000
Total Assets	\$ 108,791,000	\$ 117,966,000	\$ 124,832,000
Liabilities and Equity			
Liabilities	\$ 610,000	\$ 459,000	\$ 1,160,000
Borrowings	\$ -	\$ 1,055,000	\$ -
Member Shares and Deposits	\$ 98,041,000	\$ 105,049,000	\$ 111,329,000
Equity	\$ 10,140,000	\$ 11,403,000	\$ 12,343,000
Total Liabilities and Equity	\$ 108,791,000	\$ 117,966,000	\$ 124,832,000

STATEMENTS OF INCOME

Income	<u>2012</u>	<u>2013</u>	<u>2014</u>
Interest on Loans	\$ 3,720,000	\$ 4,034,000	\$ 4,673,000
Income from Investments	\$ 329,000	\$ 328,000	\$ 138,000
Other Income	\$ 2,619,000	\$ 2,480,000	\$ 2,265,000
Total Income	\$ 6,668,000	\$ 6,842,000	\$ 7,076,000
Operating Expenses			
Employee Compensation	\$ 2,376,000	\$ 2,503,000	\$ 2,785,000
Travel and Conferences	\$ 59,000	\$ 57,000	\$ 75,000
Office Occupancy	\$ 274,000	\$ 262,000	\$ 277,000
Office Operations	\$ 995,000	\$ 1,028,000	\$ 1,298,000
Marketing and Promotional	\$ 107,000	\$ 104,000	\$ 141,000
Loan Servicing	\$ 942,000	\$ 1,011,000	\$ 858,000
Professional and Outside Services	\$ 197,000	\$ 273,000	\$ 300,000
Other Operating Expenses	\$ 219,000	\$ 221,000	\$ 185,000
Provision for Loan Losses	\$ 151,000	\$ -	\$ -
Total Operating Expenses	\$ 5,320,000	\$ 5,459,000	\$ 5,919,000
Dividend and Interest Expense			
Dividend and Interest Expense	\$ 411,000	\$ 344,000	\$ 311,000
Other Non-Operating Expense	\$ 7,000	\$ 26,000	\$ 3,000
Net Income	\$ 930,000	\$ 1,013,000	\$ 843,000