

20 ANNUAL REPORT



"As we celebrate our 40th year, we are proud to say our main objective has always been YOU."

COLORADO
CREDIT UNION
COME BANK WITH US



1973 - 2013

President's Report: Mike Williams

As we celebrate our 40th year of business, we are proud to say our main objective has always been the welfare of our members!

Since 1973, we have continued to enhance our business model while offering products and services that will assist our members in their daily lives: FREE checking, savings, low-interest credit cards, FREE ATMs, home equity loans, auto loans, and mortgages are just a few of the stellar products and services our members enjoy. By adhering to our core mission, our credit union has continued to evolve and increase our growth by leaps and bounds.

GROWTH:

2012 was one of the most profitable years in our history. While other financial institutions continued to struggle with economic challenges and growth, your credit union stayed focused on safe and sound financial decisions. Once again, our onsite mortgage originators were able to assist over 400 members with new home loans or refinance options, totaling nearly \$100,000,000! By processing our loans onsite, we were able to offer customized solutions to accommodate our members' individual needs. Colorado Credit Union also continued to be at the forefront of product offerings; for example our extremely low auto loan rates, at 1.99% APR* are difficult to match. Our front line and back office staff also worked diligently to inform and assist members and non-members alike.

TECHNOLOGY:

It's hard to believe, but in 1973, a majority of work was completed via typewriter, snail mail and rotary phones. Over the years, we have watched technology develop from mainframes to iPads, rotary phones to smartphones, and paper checks & cash have transitioned to mostly credit and debit card transactions as our primary tools of commerce. Here at Colorado Credit Union, we have strived to stay in the mainstream throughout the years, and 2012 was no different. Along with offering such enhancements as shared branching, online banking, e-statements, bill pay and mobile

apps, we have also tried to offer our members an outlet for educational information mixed with fun. 2012 saw greater member and non-member involvement on social media sites such as Facebook and Twitter. As technology is an ever-changing quandary of its own, our management staff and IT department continue to work hard on a weekly basis to research and implement new technologies to assist our members. All the while keeping our member information security at the forefront of everything we do.

SUPPORTING OUR COMMUNITIES:

Community involvement and giving back has always been a major part of who we are. Colorado Credit Union continues to be actively involved in Brighton, Denver, Littleton, and our surrounding communities. We also expanded our charter this year to include all of Jefferson & Douglas Counties. During 2012, a major focus continued to involve Brighton 27J School District and West Jefferson County School District. Because of our involvement, Colorado Credit Union has been awarded the "Community Business of the Year Award" from the Brighton 27J Foundation for the past three years. During 2012, we also began sponsoring and volunteering with the "Food Bak Pak Program," which serves the West Jefferson County School District. This program assists approximately 140 underprivileged children by giving them a backpack filled with food and snacks to enjoy every weekend. This endeavor has not only touched the children and parents, but our staff as well. We also implemented our "Money Smarts" financial training classes in 2012, which are conducted at Dakota Ridge High School by our very own CCU staff. The response from teachers and students has been overwhelmingly positive; we are looking forward to continuing this service in 2013, as well as implementing the program in other locations including Brighton.

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 Faas

It's amazing to look back at the past 40 years and see how we've grown - not only as a financial institution, but also through our expanded field of membership, our involvement in multiple community events, and how we've become a strong voice for the credit union movement.

Since 1973, our commitment and sole focus has always been your financial well-being. The past few years, our nation has been crippled by high unemployment rates, foreclosures, and multiple increased hardships. This has affected many, and now more than ever, individuals, families, and businesses are looking to regain their financial foothold.

During these challenging economic times, your credit union has remained financially strong. This past year, we continued to increase our capital, conservatively grew our mortgage and lending portfolio, and continued to offer competitive rates. We also expanded our field of membership to include all of Jefferson and Douglas counties. We are committed to keeping your financial portfolio safe and secure. If you find yourself in a hardship, or just have questions, our door is always open. Please stop by one of our three locations in Brighton, Denver or Littleton anytime, and we will be more than happy to discuss your needs.

Not only does Colorado Credit Union strive to serve you, our member, but we follow the same philosophy towards our employees on a daily basis. We would like to recognize our President, Mr. Williams, who has not only served the members and staff of our credit union for the past 22 years, but has also served on multiple boards and associations. With such a passion for the credit union movement, it only seems natural, that while in Washington at the Governmental Affairs Conference; Mr. Williams was inducted into the Credit Union House Hall of Leaders. We would like to congratulate him, as well as all our employees, for their dedication and hard work.

We also realize that the core strength of Colorado Credit Union is YOU! Thank you for entrusting us with your financial portfolio; we look forward to serving you in 2013 and beyond.



Supervisory Committee Report: Greg Viergutz

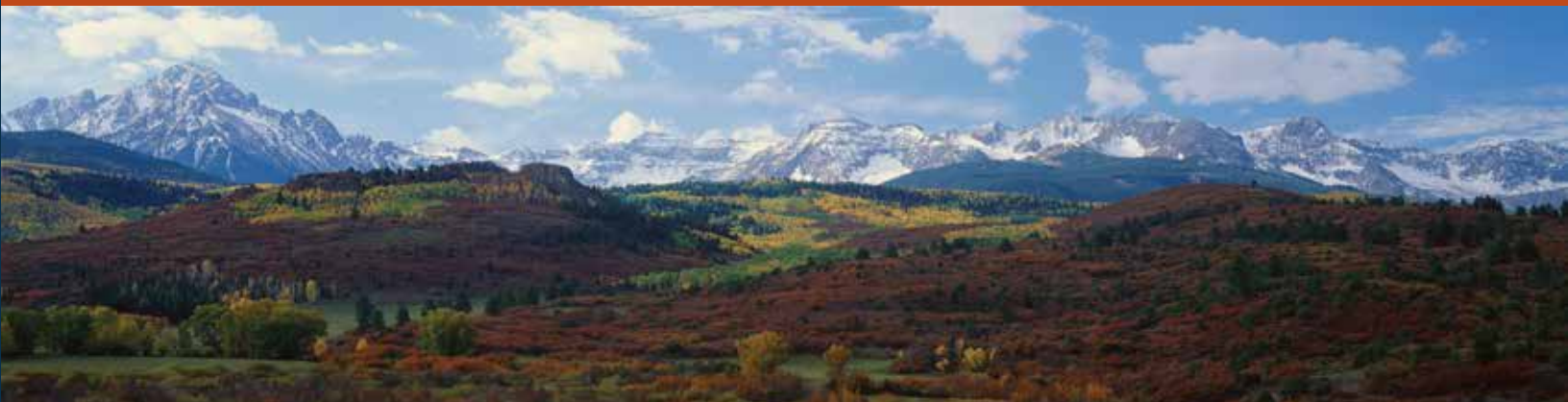
The Supervisory Committee retained an independent accounting firm, Holben Hay Lake Balzer, CPAs, to perform a financial statement audit as of December 31, 2012. The Supervisory Committee is pleased to report that the audit resulted in an unqualified opinion.

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



MISSION STATEMENT:

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



Treasurer's Report: Paul Patricca

2012 was a record year for Colorado Credit Union with Net Income totaling \$930,427 for a 0.88% Return on Average Assets (ROAA). Total Assets increased to \$108,790,922, or 6.90%. Total Member Deposits increased to \$98,041,343, or 6.37% and Total Loans increased by 0.76% to \$64,623,385. Net Capital increased to \$10,075,581, or 9.26% of Total Assets.

Despite continued concerns about the housing sector and general economy, Colorado Credit Union's loan delinquency and losses remained well below national averages at 0.75% and 0.26%, 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 2013!



Financial Statements

STATEMENTS OF FINANCIAL CONDITION

Assets	<u>2010</u>	<u>2011</u>	<u>2012</u>
Loans	\$ 59,834,252	\$ 64,136,579	\$ 64,623,385
Allowance for Loan Losses	\$ 675,274-	\$ 595,507-	\$ 580,429-
Investments Including Cash	\$ 34,454,935	\$ 29,330,613	\$ 34,848,658
Fixed Assets	\$ 2,555,665	\$ 2,507,845	\$ 2,452,708
Other Assets	\$ 4,809,078	\$ 6,386,799	\$ 7,446,600
Total Assets	\$ 100,978,656	\$ 101,766,329	\$ 108,790,922
Liabilities and Equity			
Liabilities	\$ 375,900	\$ 451,392	\$ 609,759
Borrowings	\$ -	\$ -	\$ -
Member Shares and Deposits	\$ 92,062,471	\$ 92,167,642	\$ 98,041,343
Equity	\$ 8,540,285	\$ 9,147,295	\$ 10,139,820
Total Liabilities and Equity	\$ 100,978,656	\$ 101,766,329	\$ 108,790,922

STATEMENTS OF INCOME

Income	<u>2010</u>	<u>2011</u>	<u>2012</u>
Interest on Loans	\$ 3,813,260	\$ 3,776,485	\$ 3,720,442
Income from Investments	\$ 748,469	\$ 488,206	\$ 329,235
Other Income	\$ 1,580,985	\$ 1,679,868	\$ 2,618,469
Total Income	\$ 6,142,714	\$ 5,944,559	\$ 6,668,146
Operating Expenses			
Employee Compensation	\$ 1,955,955	\$ 2,077,359	\$ 2,376,193
Travel and Conferences	\$ 26,026	\$ 37,682	\$ 58,554
Office Occupancy	\$ 300,798	\$ 297,455	\$ 273,941
Office Operations	\$ 863,669	\$ 869,327	\$ 995,328
Marketing and Promotional	\$ 185,157	\$ 171,538	\$ 106,814
Loan Servicing	\$ 487,878	\$ 545,344	\$ 942,119
Professional and Outside Services	\$ 125,069	\$ 191,330	\$ 197,402
Other Operating Expenses	\$ 393,295	\$ 368,479	\$ 219,272
Provision for Loan Losses	\$ 391,428	\$ 207,067	\$ 150,582
Total Operating Expenses	\$ 4,729,275	\$ 4,765,581	\$ 5,320,205
Dividend and Interest Expense			
Dividend and Interest Expense	\$ 991,213	\$ 605,700	\$ 410,159
Other Non-Operating Expense	\$ 93,063	\$ 30,494-	\$ 7,355
Net Income	\$ 329,163	\$ 603,772	\$ 930,427



(Photo by Stacy Keenan)
T BORROWER at the Johns-Manville credit union was plant controller
 Russo (left). The treasurer of the J-M Denver unit, Carl Hexamer was on
 d for the ceremonies.



(Photo by Stacy Keenan)
GREG HAMILTON a fork lift operator at the Willows Johns-Manville plant
 became the first depositor of the local J-M credit union. Carl Hexamer, treasurer
 for J-M in Denver, welcomed the new member to the credit union.



Located on R Level of WHQ, the Denver J-M Employees Federal Credit Union
 is an employee - controlled institution with a current membership of approximately
 1,800 J-Mers.

