



COLORADO
CREDIT UNION
COME BANK WITH US

ANNUAL REPORT

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

local. friendly. U OWN IT.

2016 Year in Review: Chairman George Faas & President Mike Williams

We are pleased to report that 2016 was a remarkable year for Colorado Credit Union! Our staff and volunteers worked diligently to ensure CCU was fiscally healthy, up-to-date on the latest security measures, abreast of technology banking trends and highly vested in the community. We remain committed to providing exceptional products and services to our members. After all, it is because of our members that CCU exists; members choose to be an owner in our not-for-profit financial cooperative and for that, we value our members with the highest regard.

CCU has always been safe, sound and secure—and 2016 was no exception. We experienced exceptional growth, as we significantly increased our assets to more than \$160 million and increased our membership to more than 14,000 members. CCU made wise lending decisions, expanded our in-house mortgage department and maintained a pointedly low loan delinquency ratio. In addition, we implemented a number of operational enhancements to online and mobile banking, as well as upgraded our security measures. While some of the work we've done may not always be visible to members, such enhancements improve CCU's overall efficiency and ensures the security of our members' financial information.

For the second year in a row, we are proud to announce that CCU was named one of the 'Top Credit Unions to Work For' in the nation by Credit Union Journal Magazine. This prestigious award is based upon CCU's ability to attract and retain talented and dedicated team members. We strive to create a climate focused on personal and professional growth, volunteerism and a healthy work-life balance. In turn, our team members remain committed to the CCU mission of fostering lifelong financial relationships and providing superior service to our members.

Philanthropy and community involvement remains at the forefront of CCU's values. Our 'People Helping People' philosophy inspires us to reinvest in the communities we serve. We sponsored several community events throughout the year and hosted financial literacy workshops for local high school students. Our staff graciously volunteered their time at different nonprofits to improve our communities. Our partnership with the Southwest Jeffco Food for Thought Bak Pak program continued to grow, laying the groundwork to expand the program to new communities in the future. During the holiday season, we partnered with AutoTrek to give-away Power Wheels cars to six deserving children. And with the generosity of CCU members and employees, we adopted three deserving families from the Brighton 'Adopt-a-Family' program, closing 2016 with an exciting year of reinvesting in the communities we serve.

Looking into 2017, we anticipate another strong year for Colorado Credit Union. We remain committed to making prudent business decisions and providing innovative products to our members, keeping member security at the forefront of our operations. We will continue to invest in our employees by providing an exceptional workplace and are eager to expand our philanthropic work in the communities we serve.

On behalf of the Board of Directors, Supervisory Committee, Executive Management Team and Staff, we thank you for trusting us with your family's banking needs. We appreciate your business and are proud to be your lifelong financial partner.

Supervisory Committee: Tom McFall

The Supervisory Committee retained an independent accounting firm, Holben Hay Lake Balzer, CPA's to perform a financial statement audit as of December 31, 2016. 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

2016 was another record year for Colorado Credit Union with Net Income totaling \$2,131,098 for a 1.40% Return on Average Assets (ROAA). Total Assets increased 14.75% to \$162,849,910. Total Member Deposits increased 14.41% to \$145,196,310 and Total Loans increased 13.66% to \$109,712,824. Net Capital increased to \$15,676,849, or 9.64% of Total Assets.

The economy in Colorado continued to improve and coupled with our prudent loan underwriting, Colorado Credit Union's loan delinquency and losses remain well below national averages at 0.17% and 0.05%, 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 another exceptional year in 2017!

STATEMENTS OF FINANCIAL CONDITION

Assets	<u>2014</u>	<u>2015</u>	<u>2016</u>
Loans	\$ 89,041,000	\$ 96,529,000	\$ 109,713,000
Allowance for Loan Losses	\$ 395,000-	\$ 375,000-	\$ 444,000-
Investments Including Cash	\$ 26,664,000	\$ 35,495,000	\$ 44,549,000
Fixed Assets	\$ 3,770,000	\$ 4,602,000	\$ 4,562,000
Other Assets	\$ 5,752,000	\$ 5,666,000	\$ 4,470,000
Total Assets	<u>\$ 124,832,000</u>	<u>\$ 141,917,000</u>	<u>\$ 162,850,000</u>
Liabilities and Equity			
Liabilities	\$ 1,160,000	\$ 1,530,000	\$ 1,977,000
Borrowings	\$ -	\$ -	\$ -
Member Shares and Deposits	\$ 111,329,000	\$ 126,904,000	\$ 145,196,000
Equity	\$ 12,343,000	\$ 13,483,000	\$ 15,677,000
Total Liabilities and Equity	<u>\$ 124,832,000</u>	<u>\$ 141,917,000</u>	<u>\$ 162,850,000</u>

STATEMENTS OF INCOME

Income	<u>2014</u>	<u>2015</u>	<u>2016</u>
Interest on Loans	\$ 4,673,000	\$ 4,887,000	\$ 5,076,000
Income from Investments	\$ 138,000	\$ 160,000	\$ 439,000
Other Income	\$ 2,265,000	\$ 3,485,000	\$ 3,914,000
Total Income	<u>\$ 7,076,000</u>	<u>\$ 8,532,000</u>	<u>\$ 9,429,000</u>
Operating Expenses			
Employee Compensation	\$ 2,785,000	\$ 3,193,000	\$ 3,682,000
Travel and Conferences	\$ 75,000	\$ 75,000	\$ 92,000
Office Occupancy	\$ 277,000	\$ 313,000	\$ 350,000
Office Operations	\$ 1,298,000	\$ 1,406,000	\$ 1,442,000
Marketing and Promotional	\$ 141,000	\$ 114,000	\$ 127,000
Loan Servicing	\$ 858,000	\$ 1,301,000	\$ 1,708,000
Professional and Outside Services	\$ 300,000	\$ 283,000	\$ 341,000
Other Operating Expenses	\$ 185,000	\$ 180,000	\$ 163,000
Provision for Loan Losses	\$ -	\$ 90,000	\$ 120,000
Total Operating Expenses	<u>\$ 5,919,000</u>	<u>\$ 6,955,000</u>	<u>\$ 8,025,000</u>
Dividend and Interest Expense			
Dividend and Interest Expense	\$ 311,000	\$ 363,000	\$ 552,000
Other Non-Operating Expense	\$ 3,000	\$ -	\$ 1,279,000-
Net Income	\$ 843,000	\$ 1,214,000	\$ 2,131,000

Community Involvement: People Helping People: Reinvesting in the Communities We Serve



Bowl-a-thon Fundraiser benefiting Junior Achievement



Sponsorship of Southwest Jeffco Food for Thought Bak Pak program



Power Wheels car give-away for six deserving children



Holiday decorating at Denver Children's Advocacy Center



Boo-rific Bash & Splash Halloween event at Foothills Parks & Recreation



Financial Literacy seminars for high school students



Volunteering at Food Bank of the Rockies



Flick-n-Float community event in Ken Caryl



Staff volunteer day at Zuma's Rescue Ranch

COLORADO
CREDIT UNION
COME BANK WITH US
local. friendly. **U OWN IT.**