

2022 Annual Report



**CREDIT UNION**  
**OF**  
**COLORADO®**

## Board of Directors' Report

### Will Fleckenstein, Ph.D., Chairperson

On behalf of the Credit Union of Colorado Board of Directors, I am pleased to report that 2022 was a year of strong performance and continued growth.

The Board of Directors is responsible for the corporate governance, fiscal soundness, accountability and strategic direction of the credit union. Our most important duty is to provide the highest level of service to our members and the communities where they live, work and play. To put it simply – we're here to help.

Our members are also owners – and are treated as such – with respect and genuine friendliness. In addition to providing personalized service and the latest in convenience banking, members also share in our profits. The money we earn from interest and other income goes back to members in the form of better interest rates, lower fees and dividends.

The Credit Union of Colorado is fiscally sound and stable. Throughout the year, our economic stability has allowed us to help our members achieve their financial goals.

### Member Satisfaction

- Our commitment to members is demonstrated by our high member satisfaction rate. In 2022, 83% of our members reported being willing to recommend the credit union to their friends and family.
- We have one of the lowest member attrition rates in the industry. According to the most recent survey results, 79% of our current members plan to remain members for life.
- Our membership grew at a rate of 6.0% in 2022. This rate has doubled since last year and is nearly 2% higher than the annualized national membership growth reported by the Credit Union National Association.

### Community Outreach

"Here to help" defines the credit union's mission and culture. We take a hands-on approach – actively contributing and giving back to the communities we serve throughout the state. The communities we serve are geographically and demographically diverse. With direct input from those we serve, we provide support that is beneficial to both our members and the community. Our Foundation's mission is to support statewide education and emergency human services through financial donations and volunteerism.

We also support giving back locally by granting our team members paid time off for personal volunteerism. Every day, our team members live out our shared commitment to giving back and doing good. This year the credit union team also made a considerable impact through our fourth annual Here to Help (H2H) Day – a day when our team members take time out to volunteer at nonprofit organizations across the state.

Being a part of the community also means protecting the places our members, teammates and families call home. Through our

participation in REVERB's Music Climate Revolution Campaign, we helped to protect Colorado's environment and our planet by leveraging social media to raise awareness and funds in support of Colorado's Medford Spring Grasslands Conservation project located in southeastern Colorado.

### Volunteering and Fundraising

- We participated in 62 community outreach events.
- Our team donated more than 805 hours to volunteer efforts.
- During our annual Here to Help Day in October, 192 team members volunteered a total of 768 hours with 22 nonprofit partner organizations.

### Credit Union of Colorado Foundation

- In 2022, 7,718 members joined the Foundation.
- Nearly \$183,000 in general grants was awarded to 65 nonprofit organizations across Colorado.
- Eleven scholarships totaling \$55,000 were awarded to Colorado students pursuing college and technical degrees.
- The combined grants and scholarships awarded in 2022 totaled \$244,368.

## Credit Officer's Report

### Chad Wilcox, Senior VP of Lending/Credit Officer

In 2022 we helped our members navigate a financial landscape marked by inflation and rising interest rates, including fluctuating mortgage rates. Our member-focused team assisted members with lending needs to provide financial support. In 2022, we saw an increased interest in personal loans and less interest in home financing assistance.

- We assisted 21,983 members with their lending needs throughout 2022.
- Loans grew at 20.04% or \$251.1 million this year as members sought to lock in lower interest rates.
- Home financing assistance of \$293.4 million was provided to 2,206 members.

## Supervisory Committee Report

### Ron Hinton, Chairperson

The credit union's supervisory committee ensures that Credit Union of Colorado's policies, procedures and reporting meet both regulatory requirements as well as our members' needs. We're pleased to report that we are in compliance with all regulatory requirements having once again earned the highest regulatory rating possible. Thank you to our management team and our internal audit department for their important work to ensure our success. We also acknowledge the important contribution of our external CPA firm, SingerLewak. This team of professionals ensures we meet the voluminous requirements placed on financial institutions while always protecting the interests of our member shareholders.

## Treasurer's Report

**Dann Milne, Ph.D., Secretary/Treasurer**

Despite rising interest rates, inflation and lingering effects of the pandemic, the economy proved to be rather resilient in both Colorado and nationally in 2022. The year ended on a high note, with economic growth exceeding expectations.

The credit union's strong financial position helped us manage the economic uncertainties of 2022. We remained focused on our mission and kept our members' financial needs at the forefront. Equipped with a wide array of innovative products and services, market-leading credit card offerings, and the ability to efficiently manage loan demand, the credit union generated steady and positive results this year.

### Key Financial Highlights

- We had more than \$2.34 billion in total assets at the end of 2022.
- Deposits grew at 1.14%.
- Loans grew at 20.21%.
- Net loan charge-offs were 0.37% of average loans.
- Our return on assets was 0.49%

Financial Highlights			
	2022	2021	% Change
<b>Members</b>	156,611	147,722	6.02%
<b>Deposits</b>	\$2.11 billion	\$2.09 billion	1.14%
<b>Loans</b>	\$1.50 billion	\$1.25 billion	20.04%
<b>Net Income</b>	\$11.41 million	\$11.67 million	(2.20%)
<b>Net Charge-offs</b>	0.20%	0.15%	0.05%
<b>Total Assets</b>	<b>\$2.34 billion</b>	<b>\$2.32 billion</b>	<b>1.00%</b>

## CEO's Report

**Terry Leis, CEO**

I'm proud of our hard-working team members who strive to fulfill our here to help mission each and every day. Our team prides itself in building strong, trustworthy relationships with our members throughout the state.

We strive to continually improve how we care for our team and serve our members. Listening and getting to know our members' unique situations allows us to take a personalized approach to their financial needs and provide tailored assistance and support.

### Financial Stability

Credit Union of Colorado is a fiscally responsible and financially stable institution. This became even more evident throughout 2022 as we helped our members traverse inflation and the resulting fluctuating interest and mortgage rates. We continue to earn the highest regulatory compliance ratings possible and deliver stable, above-average financial growth.

## Welcoming Our New President – Phil Smith

On behalf of Credit Union of Colorado, I am honored to announce the promotion of Phil Smith from chief operating officer to president. Phil has served as an invaluable member of our team for more than a decade. I offer my sincere congratulations to him as he moves into the position of president. Phil has been extremely impactful during his tenure and has developed relationships across all branches and departments. His leadership is steadfast, and he's committed to upholding the credit union's here to help mission.

## President's Report

**Phil Smith, President**

I'm thrilled to have the opportunity to continue and foster Credit Union of Colorado's legacy in my new role as president. Every day our team actively supports our members and the communities we serve. I'm dedicated to the implementation of strategic, financially prudent and innovative solutions – providing the best staff and member experiences while positioning the credit union for continued growth and expansion.

### New Corporate Headquarters

The credit union broke ground on the new corporate headquarters at the end of 2021. Our team plans to move into the new space in the second quarter of 2023. Located in Denver's Central Park neighborhood, the new headquarters will provide more space for our growing workforce and position the credit union strategically for growth and expanded services. The headquarters also includes a full-service branch with drive-up and ATM services.

Our new space will attract talented individuals to support our Colorado-based contact center and lending department so we can continue to deliver exceptional service to our members. The building is energy efficient and follows best practices in environmental construction. Additionally, office spaces are designed to support the new work styles of our team. We have planned for more collaborative and flexible workspaces that support hybrid workstyles and teamwork. The building grounds will include green space, a walking path and electric vehicle charging stations.

### New Tremont Branch

We will continue to operate our branch near the state capitol in downtown Denver while the new headquarters is being completed. Once the headquarters is open, the credit union will continue to maintain a downtown presence to serve its members.

A new branch location in downtown Denver is scheduled to open in late 2023 at 1275 Tremont Place. This location will give members easy and convenient access to our lobby service center, safe deposit boxes, drive-up tellers and a surcharge-free drive-up ATM.

## A Special Thank You

We would like to thank all of our valued employees who helped Credit Union of Colorado grow and who provided excellent member service throughout 2022.

## 2022 Credit Union of Colorado Officials

### Board of Directors:

Dr. Will Fleckenstein, Chairperson  
 JoAnn Vondracek, Vice Chairperson  
 Dann Milne, Ph.D., Secretary/Treasurer  
 John Brantley, Director  
 Cindy DeGroen, Director  
 Joe Montoya, Director  
 Wendell Pryor, Director  
 Stephan Schweissing, Director  
 Cynthia Thayer, Director  
 Russ VanNostrand, Director  
 Lloyd Wicke, Director  
 Jason Schrock, Advisory Board Member

### Supervisory Committee:

Ron Hinton, Chairperson  
 Marilyn North, Secretary  
 Gabe Hesse, Member  
 Jeff Romeo, Member  
 Jing Ye, Member

### Contact

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Statement of Financial Condition (unaudited)	2022	2021
Loans	\$1,503,862,146	\$1,252,764,955
Loans in Process	\$312,285	\$71,812
Deferred Net Loan Origination Costs	\$10,873,508	\$7,933,039
Allowance for Loan Losses	(\$3,721,352)	(\$3,554,106)
<b>TOTAL LOANS, NET</b>	<b>\$1,511,326,587</b>	<b>\$1,257,215,700</b>
Other Assets Held For Sale	\$270,564	\$285,648
Other Real Estate Owned	\$0	\$0
Cash	\$19,604,425	\$11,540,346
Investments	\$639,885,127	\$936,719,646
Fixed Assets	\$75,298,454	\$39,054,227
Other Assets	\$97,430,332	\$75,892,273
<b>TOTAL ASSETS</b>	<b>\$2,343,815,489</b>	<b>\$2,320,707,840</b>
Notes Payable	\$0	\$0
Other Liabilities	\$30,078,133	\$21,092,571
Shares	\$797,664,289	\$779,303,970
Money Market	\$573,120,310	\$545,586,826
IRA/HSA Shares	\$34,148,260	\$34,152,900
Checking	\$507,030,349	\$503,093,933
Certificates	\$199,092,767	\$225,028,052
<b>TOTAL DEPOSITS</b>	<b>\$2,111,055,975</b>	<b>\$2,087,165,681</b>
Regular Reserves	\$15,465,739	\$15,465,739
Retained Earnings - Business Combinations	\$6,758,780	\$6,758,780
Gains - Business Combinations	\$1,245,123	\$1,245,123
Undivided Earnings	\$199,335,766	\$187,925,468
Unrealized Gain (Loss)	(\$20,124,027)	\$1,054,478
<b>TOTAL EQUITY</b>	<b>\$202,681,381</b>	<b>\$212,449,588</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$2,343,815,489</b>	<b>\$2,320,707,840</b>

Statement of Income and Expenses (unaudited)	2022	2021
Loan Interest	\$61,861,477	\$52,342,296
Net Loan Origination Costs	(\$5,285,387)	(\$3,485,381)
Investment Income	\$20,660,415	\$5,235,661
<b>TOTAL INTEREST INCOME</b>	<b>\$77,236,505</b>	<b>\$54,092,576</b>
Interest on Borrowed Money	\$8,353,759	\$1,061,153
Deposit Dividends	\$5,917,363	\$4,426,973
<b>TOTAL COST OF FUNDS</b>	<b>\$14,271,122</b>	<b>\$5,488,126</b>
<b>NET INTEREST INCOME</b>	<b>\$62,965,383</b>	<b>\$48,604,450</b>
Fee Income	\$6,693,711	\$5,970,904
Other Income	\$18,932,440	\$18,267,857
<b>TOTAL NON-INTEREST INCOME</b>	<b>\$25,626,151</b>	<b>\$24,238,761</b>
Salaries and Benefits	\$38,949,362	\$35,611,740
Conferences and Training	\$696,952	\$492,310
Office Occupancy	\$6,136,698	\$5,490,040
Office Operations	\$3,024,421	\$2,813,208
Marketing	\$2,400,588	\$2,004,036
Technology	\$9,059,220	\$7,822,659
Loan Servicing	\$1,702,065	\$1,988,126
Professional/Outside Services	\$3,580,179	\$3,347,069
Insurance	\$419,909	\$383,175
Plastic Cards	\$6,780,683	\$6,268,910
Payment Processing	\$1,175,452	\$725,330
Loan Origination Costs	(\$1,321,484)	(\$1,092,463)
Miscellaneous Operating Expenses	\$1,861,241	\$433,462
<b>TOTAL OPERATING EXPENSES</b>	<b>\$74,465,286</b>	<b>\$66,287,602</b>
Provision for Loan Loss	\$3,209,301	(\$733,470)
Gain (Loss) on Disposition of Assets	\$493,351	\$4,377,848
<b>NET INCOME</b>	<b>\$11,410,298</b>	<b>\$11,666,927</b>