



2015

Annual Report

March 28, 2016

6 PM

Mission Statement

To be a member-owned financial institution with growth, quality products, long-term financial stability, and superior service as its cornerstones.

Vision Statement

The Board of Directors, Supervisory Committee, and the Staff of Community Choice Credit Union have an ongoing goal to provide our members excellence in service, options, and benefits, which will enhance the value of each member's business. We believe this will result in the membership making our Credit Union their primary financial institution, which will lead to growth. We strive to pursue controlled, profitable growth while maintaining the integrity of our financial condition. We will maintain an environment that supports and encourages our employees to be innovative in their approach to servicing members and to do business with honesty and integrity above all else.

Community Choice Credit Union

6921 East 72nd Avenue

Commerce City, Colorado

Monday, March 28, 2016 - 6:00 p.m.

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2016 Annual Meeting Agenda

- Call to Order – Debra Larsen
- Ascertain a Quorum is Present – Debra Larsen
- Election – No Ballot – Donald May
- Acceptance of Minutes of April 27, 2015 Annual Meeting – Debra Larsen
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- Introduction of Staff and Volunteers – Rainy Thoen
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- Board of Director’s Report – Debra Larsen
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- President’s Report – Rainy Thoen
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- Financial Statement - Cathy Hebert
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- Credit Officer’s Report – Keli Ginter
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- Supervisory Committee’s Report – Donald May
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- Unfinished Business – Debra Larsen
- New Business – Debra Larsen
- Special Awards/Recognitions – Rainy Thoen
 - ◇ Recognition Charles Baker
 - ◇ Employee of the Year
 - ◇ Other Recognitions
- Adjournment – Debra Larsen

Community Choice Credit Union
6921 East 72nd Avenue
Commerce City, Colorado 80022

Minutes for Board of Director's
Annual Meeting
April 27, 2015

- Board Members Present:** Debra Larsen – Chairperson
Jerry Smittkamp – Vice Chairperson
Karl White - Treasurer
Barbara Peters - Secretary
Chuck Baker - Director
Jack Hagaman - Director
Joe Holeman – Director
Greg Ward - Director
- Other:** Donald May - Chair, Supervisory Committee
Fred Limmel - Supervisory Committee
Domenic Teto - Supervisory Committee
Diane Molter – Supervisory Committee
- Credit Union Members Present: 53**
- I. Call to Order**
Meeting was called to order by Debra Larsen at 6:00P.M.
- II. Ascertain A Quorum Is Present**
It was ascertained that a quorum was present.
- III. Election**
Donald May, Supervisory Chair reported that there was no ballot and the Board and Supervisory Members stand as elected.
- IV. Acceptance of Minutes of February 24, 2014 Annual Meeting**
A motion was made by Robert Benzel to accept the minutes of February 24, 2014 Annual Meeting. Janet Olivieri seconded the motion. Motion carried.
- V. Introduction of Staff and Volunteers**
Ms. Thoen introduced elected officials who serve on the Board of Directors and Supervisory Committee. Ms. Thoen then introduced the staff members of Community Choice Credit Union and the new staff from Rio Grande Operating and DC Credit Unions.
- VI. President's Report**
Rainy Thoen summarized her written report by stating that our membership is right at 8,000. With this growth the Credit Union will continue to enhance our products and give back to the members by providing rates and fees that are competitive. The Credit Union continues to support our community, especially the Hope Center by donating food, clothing and personal products. Ms. Thoen ended her report by thanking her team for all the help and long hours of work during the merger of the two Credit Unions.
- VII. Board of Director's Report**
Debra Larsen summarized her written report. She recognized the hard work of

the Board of Directors, Supervisory Committee, Rainy Thoen and the wonderful staff of the Credit Union. At this time several members spoke of the wonderful staff of the Credit Union as being helpful, respectful and delightful. There were also questions about the merger.

VIII. Treasurer's Report

Cathy Hebert summarized the Treasurer's Report. Ms. Hebert stated that the Credit Union had a 1200 new member growth. Our capital as of 3/31/15 is at 14.1%. We are now a 56 million dollar Credit Union.

IX. Credit Officer's Report

Keli Ginter summarized the Credit Officer's report. Ms. Ginter stated that in 2013 the Credit Unions did over 5 million dollars in loans and in 2014 over 6 million in loans. So far this year (2015) the Credit Union has done 4.3 million in loans.

X. Supervisory Committee's Report

Donald May summarized the Supervisory Committee's Report and stated that the committees' mission is to check the soundness of the Credit Union and they are committed to see that the standards are kept at the highest level.

XI. Unfinished Business

There was no unfinished business to discuss.

XII. New Business

Rainy Thoen stated that members of formerly Rio Grande Operating and DC Credit Unions are welcome to come to the Credit Union and meet with herself, Keli and any team member to discuss any concerns or questions they may have.

XIII. Special Awards/Recognitions

Rainy Thoen recognized the Board of Directors and Supervisory Committee with a thank you gift for their dedication. Ms. Thoen thanked the Staff with a gift for their help with the two mergers and stated that they all were employees of the year.

Ms. Ginter and Ms. Craft presided over the raffle.

XV. Adjournment

Meeting was adjourned by Debra Larsen at 6:51 P.M.

Approved By:

Debra Larsen, Chairperson

Barbara Peters, Secretary

BOARD OF DIRECTOR'S ANNUAL REPORT

Community Choice Credit Union has once again shown us how great an organization it is. This year the team worked diligently to make the transition for the two merging credit unions as painless as possible. They helped our members to save over \$262,671 by refinancing their loans with better interest rates. This has helped increase loans at Community Choice Credit Union which benefits the entire Credit Union. Community Choice Credit Union is well known and admired by other Credit Unions for what we can offer to our members.

Community Choice Credit Union remains strong. We offer outstanding loan products that are competitive with any you can find in the metro area. If you are considering a new loan or moving a loan give us a chance to show you what we can do for you. We offer services and products not always available to credit unions of our asset size and we continue to look for other products to make your financial life easier.

No year would be complete without thanking the great team we have working at Community Choice Credit Union. They work hard to make sure everything runs smoothly and is done correctly. I have witnessed first hand the team staying late or coming in on a Saturday to help a member. You can not ask for a more dedicated team than Rainy and the team she has created.

The members you have elected to the Board of Directors and Supervisory Committee work hard to keep your credit union in sound financial condition. We are all excited about what 2016 will bring. This year we have had two Board members move out of our state and resign their Board seats. The first was Gregg Ward who came to us from Rio Grande Operating Credit Union. The second is Chuck Baker who has served on the Board for several years. I would like to thank them and every other volunteer for the hours they volunteer to keep everything going in the right direction. I know each and every one of them is up to whatever challenges we have coming this year.

Debra Larsen, Chair, Board of Directors

2015 Financial Statement

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YEAR ENDING DECEMBER 2015 FINANCIAL STATEMENT	Dec. 31, 2015	Dec. 31, 2014
ASSETS:		
Loans	\$27,268,078	\$23,371,400
Loan Loss Allowance	-\$766,647	-\$945,223
NET TOTAL LOANS:	<u>\$26,501,431</u>	<u>\$22,426,177</u>
Cash Equivalent	\$849,874	\$598,569
Investments	<u>\$26,131,018</u>	<u>\$29,642,798</u>
TOTAL INVESTMENTS:	<u>\$26,980,892</u>	<u>\$30,241,367</u>
Furniture/Fixtures/Equipment	\$100,290	\$136,543
Land and Buildings	\$1,027,736	\$1,504,294
Other Assets	<u>\$1,597,762</u>	<u>\$1,822,563</u>
TOTAL FIXED ASSETS/OTHER ASSETS:	<u>\$2,725,788</u>	<u>\$3,463,400</u>
TOTAL ASSETS:	<u>\$56,208,111</u>	<u>\$56,130,944</u>
LIABILITIES:		
Accrued Dividends Payable on Shares	\$0	\$1,000
Accounts Payable	<u>\$666,753</u>	<u>\$613,149</u>
TOTAL LIABILITIES:	<u>\$666,753</u>	<u>\$614,149</u>
SHARES:		
Shares/Clubs	\$17,513,279	\$16,995,959
IRA Deposit & Certificates	\$3,636,719	\$3,420,455
High Yield Deposit Accounts	\$8,894,509	\$8,320,339
Certificates	\$9,860,462	\$11,541,613
Share Drafts	<u>\$7,539,137</u>	<u>\$7,037,211</u>
TOTAL SHARES:	<u>\$47,444,106</u>	<u>\$47,315,577</u>
CAPITAL:		
Regular Reserves	\$1,351,917	\$1,351,917
Undivided Earnings	\$3,633,449	\$3,737,414
Equity Acquired in Merger	<u>\$3,111,886</u>	<u>\$3,111,887</u>
TOTAL CAPITAL:	<u>\$8,097,252</u>	<u>\$8,201,218</u>
TOTAL LIABILITIES/EQUITY	<u>\$56,208,111</u>	<u>\$56,130,944</u>

2015 Statement of Income and Expense

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**YEAR ENDING DECEMBER 2015
STATEMENT OF INCOME AND EXPENSES**

<u>INCOME:</u>	2015	2014
Interest on Loans	\$1,552,412	\$1,333,661
Income from Investments	\$253,113	\$220,114
Other Income	\$824,165	\$662,433
Total Income	\$2,629,690	\$2,216,208
<u>EXPENSES:</u>		
Employee Compensation and Benefits	\$1,266,029	\$966,341
Travel and Conference Expense	\$66,418	\$63,358
Office Occupancy Expense	\$130,828	\$85,269
Office Operations Expense	\$816,997	\$458,368
Educational and Promotional Expense	\$20,695	\$12,679
Loan Servicing Expense	\$63,963	\$47,460
Professional and Outside Services	\$68,895	\$64,931
Provision Loan Loss	\$21,609	\$503,372
Bond and Casualty Insurance	\$21,617	\$12,418
Operating Fees Examination/Supervision	\$9,927	\$7,202
Miscellaneous Operating Expenses	\$96,303	\$36,247
Total Operating Expenses	\$2,583,281	\$2,257,645
<u>INCOME/(LOSS) FROM OPERATIONS:</u>	\$46,409	-\$41,437
Extraordinary Gains	\$160	
Gain Before Dividends	\$46,569	-\$41,437
Dividends Paid	\$150,534	\$152,883
Interest on Borrowed Money	\$0	\$0
Net Gain (Loss)	-\$103,965	-\$194,320
Transfer to Regular Reserve	\$0	\$0

*Extraordinary losses were due to planned merger expenses.

** The income and expenses are from the main branch plus two months expenses from the first merger with RioGrande Operating CU and one month expenses from the second merger with DC CU.

President's Report		
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Your Credit Union focused on loan growth last year as this is necessary for us to have opportunities to improve products, rates, fees, and member services. Competition for loans and financial services is challenging for all financial institutions given the current market trends. Locally owned Credit Unions, like yours is creative in reaching members so that we can continue to offer great loan products.

This past year we brought on DocuSign to assist us with meeting the challenges of closing loans during business hours. DocuSign provides you the flexibility of signing loan documents when it is convenient for you! This product is a free service. Please make sure to talk to our member service experts about how it works!

We also added mobile applications for our home banking platform. You can find the application in the mobile application icon under “your choice mobile banking.” Please ask any of our team members for a demonstration of how the application works.

Last year our team was also focused on finalizing operational, accounting, and regulatory issues with the two mergers. These duties take a tremendous amount of time. Our team did a remarkable job at finalizing the requirements while still focusing on member services. This truly demonstrates the strength, commitment, and determination of our team. We are fortunate to have such a great group of employees that believe in people helping people.

We continue to thrive and are stronger because of the decision made by your management team. Our focus is to continue seeking out growth options, to improve member services, and to enhance products and rates to best serve the membership.

We are focused on giving back to the members, our owners, by providing rates and fees that are highly competitive. We also have developed programs for all stages of your life. This includes programs for consumers desiring a fresh start, folks searching out free checking options, and for individuals that require money market account products. We also have a free savings program that helps you save by transferring your change from your debit card purchase to a savings account.

This past year we provided numerous training opportunities to improve member services. I am confident you have noticed an improvement in the level of service. The management team is also focused on improving card programs by bringing in chipped cards later this year. We also are adding a feature to the card programs that will allow you to see purchases immediately, freeze your cards, or address other needs all on your phone.

We also believe community service is critical to making our community a better place. We realize that supporting our community ultimately benefits us all. In addition to supporting our community, we are always willing to assist several credit unions in our industry that are in need of specific expertise. We believe in people

helping people and strive to demonstrate this motto in every step we take. This continued support to our community is evident in the savings we posted this past year to our members. The support to our industry is evident on various levels including serving on boards that are vital to our continued success.

Embracing and recognizing the need for change is critical in providing the membership with services desired. There is nothing more difficult to take in hand, more challenging to conduct, or more uncertain in its success than to take the lead in the introduction of a new order of things. Recognizing the need for change and reacting on that need is critical to be competitive in this market.

Excelling at reaching our vision depends on you, the member, who keeps the credit union industry alive. Our difference from the rest of the banking industry is you. We don't have stockholders that own and dictate the direction we are to take; we have members that elect a Board of Directors and a Supervisory Committee to always seek after what is in the best interest of the membership. Our mission is to improve ALL of our member's financial condition...not just a few stockholders. We are successful because of our highly talented, dedicated, driven team of amazing individuals!

We continue to analyze our strategic plan for the years to come to ensure we are maximizing value to our members. We are focused on rates and products to assist you in feeling secure with your money during these economic uncertainties. We want to be your financial partner. We are your local, community credit union! The business you conduct with our credit union supports our members and the community. We are a true cooperative financial industry. Please consider us as your preferred financial "Choice".

In closing, your elected officials strive to make solid business decisions that will allow us to continue to grow while providing tools to assist you with all your financial dreams. Your elected officials generously dedicate their precious time, knowledge and wisdom in planning for success and ensuring the safety and soundness of the credit union. I am thankful for their selfless desire to help and contribute to the growth, stability, and success of this credit union through their skillful direction. These individuals spent countless hours volunteering at your credit union. They are an intricate part of our success. So, with tremendous gratitude, we thank them for making a difference.

Our future is promising! Your management team and elected officials remain dedicated to a continual review of products, services, fees, locations, rates, and hours. As your leader, I remain dedicated to this credit union and the philosophy of *"people helping people."* I believe that our mission and vision statements show the strength of our values. It is an honor to be your president and I thank you for the opportunity to serve you.

With Tremendous Gratitude,

Rainy Thoen
CEO/President

Credit Officer's Report

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2015 was a record setting year for lending at Community Choice Credit Union. We did more loans this year than we did for 2014 and 2013 combined; we saved our members more money than any other year also.

In 2014 we merged with Rio Grande Operating Credit Union and DC Credit Union; in 2015 we completed the computer conversion for those mergers. We transferred their members to our live debit and credit cards; I know this process was not easy for any of us and thank you for your patience during this time. We were also able to lend to our new members in ways that were not available to them in the past and that really helped fuel our loan growth.

Total loans for 2015 \$27,218,053.35
Total loans for 2014 \$23,371,400.00
Total loans for 2013 \$19,045,370.00
Total loans for 2012 \$18,520,769.00

New loans in 2015 \$14,006,679.58
New loans in 2014 \$6,035,635.00
New loans in 2013 \$5,860,174.00
New loans in 2012 \$8,290,470.00

Our challenge in 2015 was the same as years past, competition from the bigger financial institutions buying up the market. We are combating that with not only refinancing our member's auto loans for a better rate but also trying to show them how to raise their credit score by paying off high interest rate credit cards in the process.

2016 is bringing us lots of exciting opportunities such as DocuSign; this is a program where we can send your loan documents to you through a secured e-mail site and you can sign electronically from your personal computer, smart phone or work computer. No more scheduling appointments and taking time off from work.

Our credit union's mission has always been and will continue to be: to improve our member's lives by raising their credit score, lowering their monthly payments and eliminating all of their high interest credit card balances to improve their credit and give them the rates they deserve. The member's success is our credit unions success.

Thank you for the opportunity to serve you and I look forward to assisting you in all of your financial needs for many years to come.

Keli Ginter, Chief Operations Officer

Supervisory Committee's Report

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As your credit union Supervisory Committee, we have a requirement to supervise the overall safety and soundness of your credit union. Our primary responsibilities are to monitor the effectiveness of internal controls (checks and balances) and ensure adherence to established policies and procedures are maintained. I can assure you, as a member of this committee, our commitment is to see these standards are kept at the highest level.

Our duties include reviewing operational procedures, performing supplemental audits, reviewing at least ten percent of the loan portfolio, performing random cash counts, verification of accounts, reviews of dormant accounts, and attending board meetings. In addition to our reviews, the law requires the Supervisory Committee to conduct a yearly audit of the credit union's financial record. The committee will meet this requirement by retaining Holben Hay Lake Balzer, LLC, an independent audit firm. The firm audits the financial records of the credit union each year.

We also have a regulatory examination along with our detailed internal audit program which is completed on an on-going basis. We, as your credit union Supervisory Committee, take all measures possible to provide the best service possible while maintaining all compliance issues. This year the Committee had several additional reviews, including a Fair Market Value report of our two mergers, Rio Grande Operating Credit Union and Denver Chicago Trucking (DC) Credit Union.

The Supervisory Committee will continue to monitor your Credit Union to ensure that your funds are safe and secure. The reports and results of audits and state examiners continue to demonstrate that your Credit Union is operating in a financially sound manner. Our business plan, in addition to our current records, shows prosperity and growth for our credit union for years to come.

I believe it informative to again reiterate that your funds are also federally insured up to at least \$250,000.00 through NCUA (National Credit Union Administration), a United States Government Agency.

The Supervisory Committee works in a supportive role to assist the Board of Directors and you, the membership, in maintaining a solid foundation and a visionary future for our credit union. We are always in need of volunteers who would like to offer their time and talents to be on our committee. I have found it very rewarding to take part in the continual molding, shaping and planning of our credit union. Please speak with Rainy Thoen (or email her at rthoen@yourbetterbankingchoice.com), our credit union President and CEO if you would be interested in volunteering.

In closing, I would like to thank you for allowing us the opportunity to serve you. We appreciate our fine members and the support you give to make Community Choice Credit Union the best!

Sincerely,

Donald May
Supervisory Chairperson

Board of Directors

Debra Larsen - Chair
Jerry Smittkamp - Vice Chair
Karl White- Treasurer
Barbara Peters - Secretary
Chuck Baker - Director
Jack Hagaman - Director
Joe Holeman - Director

Supervisory Committee

Donald May - Chair
Fred Limmel - Secretary
Domenic Teto
Diane Molter
Rich Lemke

Management Team

Rainy Thoen - President/CEO
Cathy Hebert - Chief Financial Officer
Keli Ginter - Chief Operations Officer
George Rasmussen - Executive Compliance Officer

The Team

Michelle Craft - Office Manager
Deborah Eddy - Accounting Specialist
Tiffany Stepp - MSR, Loan Officer
Sandra Garcia - Head Teller
Diana Morfin - MSR, Loan Officer
Judy Miskey - Support Services Assistant
Jaqui Guerrero - Teller
Loretta Thomas - Support Specialist
Letitia Maestas - MSR, Loan Officer
Monique Duran - MSR, Support Services
Brandi Tafoya - Branch Supervisor
Amber Mathias -Teller, MSR
Heather LeCrue - Teller, MSR
Dan Collins - Teller, MSR, Member Solutions Partner