



**March 26, 2018**

**6 PM**

# **2017 Annual Report**

## **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**

## 2017 Annual Meeting Reports

- Call to Order – Debra Larsen
- Ascertain a Quorum is Present – Debra Larsen
- Election – No Ballot – Rich Lemke
- Acceptance of Minutes of March 27, 2017 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 - Rainy Thoen  
Page 6-7
- Credit Officer’s Report – Keli Ginter  
Page 10
- Supervisory Committee’s Report – Rich Lemke  
Page 11
- Unfinished Business – Debra Larsen
- New Business – Debra Larsen
- Special Awards/Recognitions – Rainy Thoen
- Employee of the Year - Rainy Thoen
- Adjournment – Debra Larsen

**Community Choice Credit Union  
6921 East 72nd Avenue  
Commerce City, Colorado 80022  
Minutes for Board of Director's  
Annual Meeting  
March 27, 2017**

**Board Members Present:** Debra Larsen – Chairperson  
Jerry Smittkamp – Vice Chairperson  
Karl White, Treasurer  
Barbara Peters, Secretary  
Joe Holeman – Director

**Absent Excused:** Don May- Director  
Jack Hagaman-Director

**Supervisory Present:** Domenic Teto - Supervisory Committee  
Diane Molter – Supervisory Committee

**Credit Union Members Present: 24**

- I. **Call to Order.** Meeting was called to order by Debra Larsen at 6:03P.M.
- II. **Ascertain A Quorum Is Present.** It was ascertained that a quorum was present.
- III. **Election.** There was no ballot. The Board and Supervisory Members stand as elected.
- IV. **Acceptance of Minutes of March 28, 2016 Annual Meeting.** A motion was made by Jerry Smittkamp to accept the minutes of March 28, 2016 Annual Meeting. Judy Miskey seconded the motion. Motion carried.
- V. **Introduction of Staff and Volunteers.** Keli Ginter introduced elected officials who serve on the Board of Directors and Supervisory Committee and the staff members of Community Choice Credit Union.
- VI. **Board of Director's Report.** Debra Larsen summarized her written report. She recognized the hard work of the Board of Directors, Supervisory Committee, and the staff of the Credit Union. Ms. Larsen talked about how diligently we are working to help our members build their credit score and to understand the value in maintaining a good score. She also mentioned how much money we have saved members over the years by working with the members to get better rates. This process has also helped us to build the Credit Union loan portfolio. Ms. Larsen also discussed the

DC branch closing and the additional tools that are available to members to access their accounts 24/7, such as mobile banking, our apps, and shared branching.

- VII. President's Report.** Debra Larsen reviewed Ms. Thoen report due to her mother passing away. She reviewed the accomplishments of the Credit Union including completing the merger related items; mobile apps available; focused on employee training and development, and IT security. The management team is exploring relationship pricing and reward programs. The management team is focused on relationships and not transactions, that together we can make a positive difference for our members and the community.
- VIII. Treasurer's Report.** Debra Larsen summarized the Treasurer's Report. The Assets of the Credit Union remain stable and income remains strong. The elected officials are focused on ensuring financial stability to provide us the foundation to continue to serve the members and the community.
- IX. Credit Officer's Report.** Keli Ginter summarized the Credit Officer's report. The Credit Union continued the credit score analysis program. Loans continue to be our focus. We are working hard to grow the loan portfolio. The staff is asking for business, trying to show members how we can save them in interest with lower rates and improve their credit scores.
- X. Supervisory Committee's Report.** The Supervisory Committee report was reviewed. Their role is to be responsible for the audits and well-being of the Credit Union. 2016 was a great year both for the audit and the regulatory side. The Credit Union is insured by NCUA. The Supervisory Committee was thanked for all their hard work.
- XI. Unfinished Business.** There was no unfinished business to discuss.
- XII. New Business.** There was no new business.
- XIII. Special Awards/Recognitions.** Heather LaCrue discussed the scholarship that is being created in Memory of Fred Hanson. Fred Hanson was a charter member of our Credit Union and believed in education, giving back, and people helping people. Michelle Craft recognized the Board of Directors and Supervisory Committee with a thank you gift for their dedication. Michelle Craft presented thank you gifts to the staff for making a difference.
- XV. Adjournment.** Meeting was adjourned by Debra Larsen at 6:22 P.M.

Approved By:

Debra Larsen, Chair

Barbara Peters, Secretary

## BOARD OF DIRECTOR'S ANNUAL REPORT

Community Choice Credit Union is your Credit Union and I must say I think you have made an excellent choice. Our Credit Union works hard every year to offer all members the best service and rates in the area. Our members have saved over \$1,529,435 by refinancing their loans with better interest rates at our Credit Union. Community Choice Credit Union continues to be known and respected by other Credit Unions for the dedication and services provided to its membership.

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. You only need to stand in the lobby on a Friday afternoon and see everyone working together to help our members meet their financial goals. You cannot ask for a more dedicated team than the team we have at Community Choice.

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 2018 will bring. Continuing education is not only important to the employees of the Credit Union but also the volunteers. I would like to thank every one of these volunteers for the hours they volunteer to keep everything going in the right direction. I know each of them is up to whatever challenges we have coming this year.

Debra Larsen, Chair, Board of Directors

**2017 Financial Statement**

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<b>YEAR ENDING DECEMBER 2017 FINANCIAL STATEMENT</b>	<b>Dec. 31, 2016</b>	<b>Dec. 31, 2017</b>
<b>ASSETS:</b>		
Loans	\$31,189,093	\$33,758,122
Loan Loss Allowance	<u>-\$628,854</u>	<u>-\$587,433</u>
<b>NET TOTAL LOANS:</b>	\$30,560,239	\$33,170,689
Cash Equivalent	\$663,463	\$763,736
Investments	<u>\$22,279,934</u>	<u>\$20,868,421</u>
<b>TOTAL INVESTMENTS:</b>	\$22,943,397	\$21,632,157
Furniture/Fixtures/Equipment	\$60,376	\$53,750
Land and Buildings	\$982,391	\$937,047
Other Assets	<u>\$1,572,459</u>	<u>\$1,953,476</u>
<b>TOTAL FIXED ASSETS/OTHER ASSETS:</b>	\$2,615,226	\$2,944,273
<b>TOTAL ASSETS:</b>	<b><u>\$56,118,862</u></b>	<b><u>\$57,747,119</u></b>
<b>LIABILITIES:</b>		
Accrued Dividends Payable on Shares	\$0	\$0
Accounts Payable	<u>\$957,317</u>	<u>\$1,166,968</u>
<b>TOTAL LIABILITIES:</b>	\$957,317	\$1,166,968
<b>SHARES:</b>		
Shares/Clubs	\$18,650,640	\$20,158,146
IRA Deposit & Certificates	\$3,577,306	\$3,529,217
High Yield Deposit Accounts	\$7,729,534	\$8,228,391
Certificates	\$8,604,668	\$7,002,767
Share Drafts	<u>\$8,473,813</u>	<u>\$8,982,537</u>
<b>TOTAL SHARES:</b>	\$47,035,961	\$47,901,058
<b>CAPITAL:</b>		
Regular Reserves	\$1,351,917	\$1,351,917
Undivided Earnings	\$3,661,781	\$4,215,289
Equity Acquired in Merger	<u>\$3,111,886</u>	<u>\$3,111,887</u>
<b>TOTAL CAPITAL:</b>	\$8,125,584	\$8,679,093
<b>TOTAL LIABILITIES/EQUITY</b>	<b><u>\$56,118,862</u></b>	<b><u>\$57,747,119</u></b>

**YEAR ENDING DECEMBER 2017  
STATEMENT OF INCOME AND EXPENSES**

<b>INCOME:</b>	<b>2016</b>	<b>2017</b>
Interest on Loans	\$2,174,046	\$1,870,319
Income from Investments	\$260,708	\$245,267
Other Income	\$789,100	\$951,949
<b>Total Income</b>	<b>\$3,223,854</b>	<b>\$3,067,535</b>
<b>EXPENSES:</b>		
Employee Compensation and Benefits	\$1,364,200	\$1,394,792
Travel and Conference Expense	\$97,751	\$42,939
Office Occupancy Expense	\$125,068	\$110,896
Office Operations Expense	\$552,678	\$513,848
Educational and Promotional Expense	\$24,607	\$23,335
Loan Servicing Expense	\$59,302	\$114,914
Professional and Outside Services	\$58,452	\$114,182
Provision Loan Loss	\$452,774	\$26,358
Bond and Casualty Insurance	\$22,178	\$22,562
Operating Fees Examination/Supervision	\$7,394	\$6,750
Miscellaneous Operating Expenses	\$302,425	\$30,174
<b>Total Operating Expenses</b>	<b>\$3,066,829</b>	<b>\$2,400,750</b>
<b>INCOME/(LOSS) FROM OPERATIONS:</b>	<b>\$157,025</b>	<b>\$666,785</b>
Extraordinary Gains	\$350	1,200
Gain Before Dividends	\$157,375	\$667,985
Dividends Paid	\$129,044	\$114,477
Interest on Borrowed Money	\$0	\$0
<b>Net Gain (Loss)</b>	<b>\$28,331</b>	<b>\$553,508</b>
Transfer to Regular Reserve	\$0	\$0

There is one thing that is constant, and that is change. Recognizing and embracing change is critical to advance our products and services to fit the needs of our members. I believe that financial institutions must adapt to the preference of the people. Recognizing the need for change and reacting on that need is critical to be competitive in this market. Your management team focuses on bringing services and products to the member's that provide value, convenience, and help us all to achieve our financial goals.

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. Your locally owned Credit Union is creative in reaching members so that we can continue to offer great loan products.

The team was tremendously successful in achieving loan growth. Services we offer, like the Credit Score Analysis program, have helped us to build member relations and to provide a free opportunity for our members and the community to greatly improve their lives by improving their credit score. Additionally, the DocuSign products help us to close loans at a time that is convenient for you! This product is a free service. Please make sure to talk to our member service experts about how it works!

The mobile applications for our home banking platform allows you to perform many transactions 24/7. Your Credit Union is focused on products and delivery channels that complement our busy lives. You can find the mobile application icon under "your choice mobile banking" in your app store.

We continue to thrive and are stronger because of the decision made by your management team. Our mission 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'm confident you have noticed an improvement in the level of service. The management team is also focused on improving card programs. We added 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 believe community service is critical to making our community a better place. We realize that supporting our community ultimately benefits all of us. In addition to supporting our community, we are always willing to assist several Credit Unions in our industry, we are “People Helping People”.

We do 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.

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. 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”.

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.

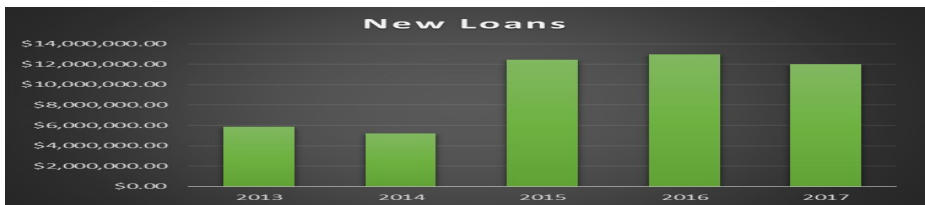
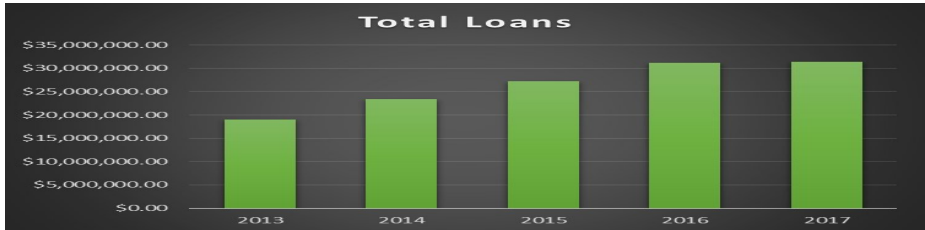
Our future is promising! Your management team and elected officials remain dedicated to a continual review of products, services, fees, locations, rates, and hours. As your leader, I remain dedicated to this Credit Union and the philosophy of “***People Helping People.***” I believe that our mission 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

2017 was another great year for us. Our loan demand continues to be strong. We have saved our members over \$1,529,435.00 in interest since August 1<sup>st</sup>, 2015.

Our team is still working with the members to lower their monthly debt by refinancing their auto loans, lowering their rate and/or paying off any high interest rate credit cards. We allow them to go 60 or 90 days before their first payment is due. Do you have any high interest rate credit cards we can refinance for you?



In 2017 We reintroduced the HELOC program. We have a fixed rate program for either 10 or 15 years (depending on the loan amount) with a 5-year draw. We will loan up to 80% of the value of your home. Use this low rate line of credit to pay off high interest credit cards, home improvement, pay for college or go on a dream vacation. The first 30 people to close a loan in 2018 we will pay your closing fees. Make sure to apply today before the rates go up.

Also, in 2017 we converted our Visa credit cards to the chip Mastercard's. The addition of the chip includes additional security to try to mitigate the potential for fraud. While the conversion went pretty smooth, I know some of you were inconvenienced and to you we truly apologize, just know that we are always looking for ways to improve our processes. Mastercard is more consumer friendly and will save the Credit Union thousands in fees.

In 2018 we are looking at a lot of exciting ways to serve you in the future. We are looking at different types of loans, savings accounts, education partnerships with the high school, and different locations for staff.

Our Credit Unions mission has always been and will continue to be: to improve our members lives by raising their credit score, lowering their monthly payments and eliminating all their high interest credit card balances to improve their credit and give them the rates they deserve. Our member's successes are our successes.

I want to give my sincere thanks for letting me work in the career I love and believe in and giving me the opportunity to partner with you in your financial goals. I look forward to all the 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 seriously our responsibility to provide you with the best service while remaining compliant and protecting the safety and soundness of your 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 is 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](mailto: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,

Richard C. Lemke, Supervisory Chair

**Board of Directors**

Debra Larsen - Chair  
Jerry Smittkamp - Vice Chair  
Karl White- Treasurer  
Barbara Peters - Secretary  
Jack Hagaman - Director  
Joe Holeman - Director  
Don May—Director

**Supervisory Committee**

Rich Lemke - Chair  
Diane Molter, Vice-Chair  
Fred Limmel - Secretary  
Russell Carter  
Domenic Teto

**Management Team**

Rainy Thoen - President/CEO  
Cathy Hebert - Chief Financial Officer  
Keli Ginter - Chief Operations Officer  
Michelle Craft - Chief Member Service Officer  
Loretta Thomas, Controller

**The Team**

Brenda Armendariz—Teller  
Dan Collins - Teller, MSR, Member Solutions Partner  
Deborah Eddy - Accounting Specialist  
Dee Gonzalez, Teller  
Jaqui Guerrero, Accounting Specialist  
Marshela Jackson, Teller  
Heather LaCrue - Teller, MSR, Business Development Specialist  
Judy Miskey - Support Services Assistant  
Letitia Maestas - MSR. Loan Officer  
Diana Morfin - MSR, Loan Officer  
Martha Rodriguez-Barraza, Teller  
Tiffany Stepp - MSR, Loan Officer  
Brandi Tafoya - Teller, MSR, Loan Officer  
Samantha Velazquez, Teller