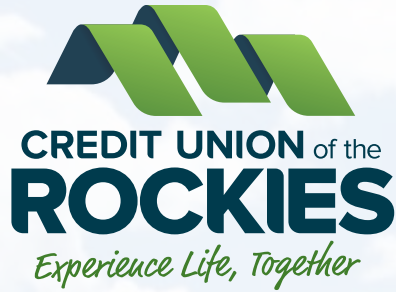


Annual Report 2021



CREDIT UNION of the
ROCKIES

Experience Life, Together



85TH ANNUAL MEETING OF THE MEMBERSHIP

May 26th, 2022

– ZOOM –

– Agenda –

- I. Call to Order
- II. Ascertainment of Quorum
- III. Introductions
- IV. Minutes of Last Annual Meeting
- V. Acceptance of Agenda
- VI. President/CEO and Chair Report
- VII. Supervisory Committee Report
- VIII. Secretary/Treasurer of the Board Report
- IX. Financial Report
- X. CPA Report
- XI. Nominating Committee Report
- XII. Election
- XIII. New Business
- XIV. Adjournment

Meeting Minutes

May 27th, 2021 Annual Meeting / 84th Annual Meeting

Call to Order: Chairman Nathan Peterson called the meeting to order at 5:33 pm on Thursday, May 27th, 2021 in Golden, CO via Zoom conference meeting.

Ascertainment of Quorum: Chairman Peterson ascertained that a quorum was present. Peter Bullard confirmed a quorum with at least 15 members.

Introductions: Chairman Peterson introduced the current members of the Board of Directors and then introduced Peter Bullard, the Credit Union's President /CEO, who introduced his staff to the membership.

Minutes of Last Annual Meeting: Chairman Peterson entertained a motion to approve the minutes of the 83rd annual meeting, as listed in the annual meeting booklet. Rich Ferris motioned to approve the minutes of the 83rd Annual Meeting, Martina Ferris provided support and the motion carried.

Acceptance of Agenda: Chairman Peterson entertained a motion to approve the 84th Annual Meeting Agenda as presented. Martina Ferris motioned to approve the 84th annual meeting agenda, Milford Adams provided support and motion carried.

Chairman of the Board & CEO Report: Chairman Peterson referred the membership to the written report included in the 2020 Annual Report. Chairman Peterson highlighted the accomplishments (growing nearly 20% in assets) and challenges (COVID) the Credit Union experienced throughout 2020. Exciting leadership changes were made and Mr. Peterson officially announced Mr. Bullard as the newly appointed President/CEO. Mr. Bullard encouraged members to look over the report included in the packet. He noted that consumer and employee behavior has been forever changed and most likely never going to go back to way things were before the pandemic. Mr. Bullard stated that he is excited and anxious for the upcoming changes related to supporting our membership; referencing that we are continuing to hire for needed roles in the organization and strengthening role-based responsibilities. He addressed the Credit Unions earnings and net worth challenges in several ways. He stated that the team has been closing monitoring our liquidity, understanding where it's coming from, and the likelihood for deposits to hold within the organization or leak back out. Regardless, he stressed the importance of how we use that liquidity to serve our members and invigorate or revenue streams.

Supervisory Committee Report: Supervisory Committee Chairman Mark Johnston referred the membership to the written report included in the 2020 annual report and asked if there were any questions concerning the report. There were none.

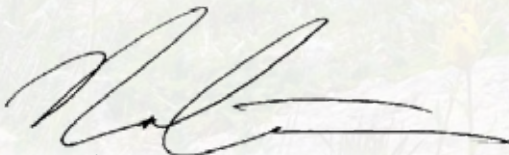
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Secretary/Treasurer Report: Secretary/Treasurer Marty Ferris reported that the Credit Union assets were up 20% with the large increase in deposits, resulting in \$116 million in assets. She referenced the funding of \$129M in new loans and noted that our loan delinquency rate is manageable and low at 0.67%. She referred to her report and notated the \$358K in interest and dividends that were returned to the membership throughout 2020. Mr. Bullard gave a brief explanation of how deposits effect our Credit Union's net worth to the membership. Chairman Peterson asked if there were any questions. A member asked if we were looking to change the mix on the types of loans that we offer to generate more revenue and help the bottom line. President / CEO, Peter Bullard, was clear in the fact that the Credit Union has struggled with direct loan volume under past leadership and going forward encouraged the members that we are surging resources into Marketing to jumpstart our membership and loan numbers. As a short-term strategy, Mr. Bullard stated that we have taken on participation loans from partner Credit Unions as well as ramped up first mortgages for members in the communities that we serve. A member question about the rise in popularity of crypto-currency and ransomware attacks and what the Credit Union of the Rockies is doing, from an IT standpoint, to protect itself and the membership was asked. Mr. Bullard fielded this question and stated that we have worked closely with our managed service provider (GoWest IT) to help us manage our local servers, backups, firewalls, and anti-virus security to ensure that the credit union had robust protection from cyber-security events.

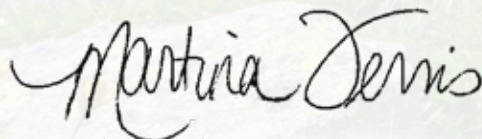
CPA Report: President / CEO Mr. Bullard referenced the CPA letter in the Annual Report and reported that the Credit Union received an unmodified opinion from BKD, the Credit Union's CPA firm for 2020.

Nomination Committee Report: Chairman Peterson asked Mr. Bullard to deliver the report of the Nominating Committee. Mr. Bullard thanked the Committee for their hard work and he then addressed the three nominees for the Board of Directors seats. The incumbents, Thomas Davidson and Milford Adams were re-nominated for 3-year terms. Mr. Peterson asked if there was any discussion regarding the nominations. Mr. Johnston motioned to approve the nominations by acclamation. Martina Ferris provided support. The motion carried unanimously. Next, he addressed the one appointment for the Supervisory Committee seat that was available. The incumbent, Larry Krupicka was re-appointed by the Board of Directors for a 3-year term.

Adjournment: Chairman Peterson thanked all members for their attendance. Peter Bullard motioned to adjourn, and Marty Ferris provided support. Mr. Peterson officially adjourned the 84th Annual Meeting at 6:22pm.



Nathaniel Peterson, *Chairman*



Martina Ferris, *Secretary/Treasurer*

Report to the Membership

Amidst the rapid pace of changes throughout nearly all aspects of our lives, Credit Union of the Rockies continued to focus on listening to our members in order to consistently deliver exemplary value and service to you, our members. The pandemic and related events proved to be as challenging as those we experienced in 2020. At the same time, we continue to leverage our opportunities to innovate, adapt, and turning possibilities into real progress.

A few of the milestones and moments that stood out in 2021:


- Growing nearly \$20MM in loans (a 36% increase to loan portfolio)
- Serving 9,500 members across the mountain communities of Colorado
- Paying our members almost \$300,000 in dividends, waiving many of our service fees, and providing payment relief for members experiencing hardship due to the COVID-19 pandemic
- Maintaining our commitment to retain and grow our Credit Union family members we added 3 new roles (Cards, Accounting, Marketing) and internally promoted 6 employees
- Our increasing member satisfaction rates demonstrate our dedication to our membership with 92% of our members strongly agreeing or agreeing that Credit Union of the Rockies is meeting or exceeding their financial needs

As we move forward into 2022, we are grateful for the patience and support of our membership and the unwavering commitment of our employees and volunteer Board of Directors and Supervisory Committee. Much of our year was spent fortifying our organizations roles and responsibilities and realigning our culture into our Mission of being the #1 trusted source for financial solutions that enrich the lives of members in the mountain communities that we serve. We have our branch management structure in place and new roles geared up and ready to rollout exciting new products and services.

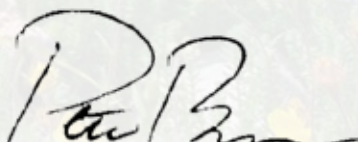
We understand the need for members, and potential members, to have more opportunities and education to achieve their financial dreams. Credit Union of the Rockies is focusing our efforts on aiding members with homeownership in the mountain communities that we serve. Additionally, we recognize the importance of digital solutions that help broaden our members capabilities to perform their banking across the expansive Colorado landscape. The Credit Union recently finalized a major conversion into new Visa Debit and Credit cards; allowing us to provide members additional options with mobile payment technology and increased fraud detection. It's a crucial assignment that we continue to come together as collective mountain communities and support one another and develop YOUR Credit Union into all that it can be.

We live where you live. We are constantly striving to enhance our processes, products, and services to better serve you! It has been an honor and privilege to serve as your President/CEO and Chairperson and to be a member of a team that remains focused on helping our members to meet their financial needs and goals. On behalf of our fellow employees and volunteers, thank you for your membership and your continued support.

Best regards,



Nathaniel Peterson
Board Chairman



Peter Bullard, CUDE
President/CEO

Supervisory Committee Report for 2021

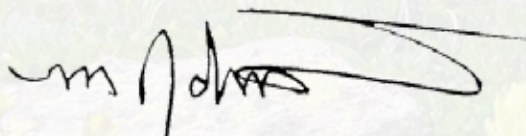
The Supervisory Committee (Committee) provides membership with an independent appraisal of the safety and soundness of Credit Union of the Rockies (the Credit Union). The Committee meets monthly to review the Credit Union's financial performance, branch cash audits, the Annual BSA Report and review audit findings.

A key activities includes the Credit Union's annual external audit, performed by BKD, who found no material weaknesses in our financial statements. BKD also provides semi-annual reviews (February and July) of internal processes, procedures, and controls. They provide Internal Audit Consulting Reports to the Committee semi-annually of any findings. The latest report dated October 31, 2021, BKD's Risk Rating for all areas reviewed was "Satisfactory". A "Satisfactory" rating indicates they found no critical findings and no more than two high-rated findings. The report also included management response to the findings.

A tool used by the Committee and Management – the audit tracking spreadsheet – has continued to evolve to become an even more effective tool for ensuring all recommendations are appropriately addressed by Credit Union management and staff. The Credit Union implemented a new comprehensive audit tracking software (Red Board) in 2021. The new software provides a single location to tracking audit findings, management responses, the accountable manager, and remediation documentation.

As with last year, we have seen changes in the Supervisory Committee membership as professional and personal opportunities led to periodic turnover. The newest member of the Committee is Mr. Gregory Beal, who joined in September 2021. The Committee is interested in new members, and we hope some Credit Union members will be interested in volunteering to help with this important role.

Financially, the credit union is in a good position. The challenges of 2020 carried over into 2021, but we are happy to see the dedication and hard work of the credit union's staff to help our members through these difficult times.



Mark Johnston
Supervisory Committee Chairman

Treasurer's Report - May 2021

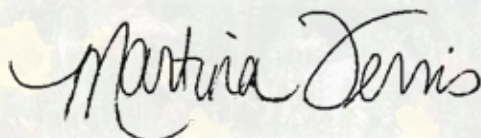
The Credit Union faced many challenges throughout the year resulting from the COVID-19 pandemic, economic volatility, and staffing challenges. Albeit, the Credit Union remains stable and in a great position for future growth. During 2021, assets increased to \$121,614,000, an increase of 4.54% over 2020. Total member deposits ended the year at \$109,790,000, an increase of 5.45% over 2020. Our membership at the end of December 2021 was 9,252, a slight reduction from the 9,414 members recorded in December 2020.

In 2021, Credit Union of the Rockies made 1,252 loans to members, which marked the 10th straight year above the 1,000 new loan level. These new loans amounted to \$55,463,416. Our total loan portfolio was \$76,084,000 in total loans outstanding, an increase of \$20,781,000 from 2020. Our loan delinquency rate was 0.02% as of December 2021. Staff have continued working hard on serving our member's lending needs in a timely and convenient manner. Credit Union of the Rockies returned \$299,000 to its members during 2021 in the form of dividends and interest.

The Credit Union absorbed reductions in total income from 2020 to 2021 of \$(5,800). This reduction is attributable to the Credit Union's continued efforts during 2020 and 2021 to support its members by instituting a planned and coordinated approach of decreasing fees to our members on the courtesy pay and NSF fee programs. Operating expenses totaled \$4,310,000, representing 93.4% of the gross income of the Credit Union and supporting the Credit Union's mission of providing financial solutions to members to reach their financial goals.

CU of the Rockies net income was \$(30,000) versus \$(395,000) for 2020 with pre-provision for loan loss net income of \$6,000 versus \$62,000 for 2020. CU of the Rockies's net worth ratio, which is a measure of financial stability and soundness, remained strong in 2021 at 9.37%, a slight decrease from last year's net worth ratio of 9.83%. This result was a product of continuous evaluation of the Credit Union's financial position and strong financial management.

The Board of Directors and staff always keeps our members best interest in mind when we make decisions. We meet annually to come up with our strategic plan and discuss the progress in our strategic plan's goals at each monthly board meeting. During the year, some key hires were made to strengthen the credit union and prepare for an upcoming phase of strategic growth in services and products offered to our members. It is our intention to provide the membership with the best financial products and services possible while using sound management decisions in order to continue to earn your trust and patronage. We look forward to continuing to serving you in 2022 and beyond.



Marty Ferris, Secretary/Treasurer

Statement of Financial Condition

ASSETS (IN THOUSANDS)	12/31/21	12/31/20
Cash and Cash Equivalents	\$ 11,692	\$ 18,779
Investments Available-For-Sale	25,741	34,360
Loans	76,701	55,999
Allowance for Loan Losses	(617)	(696)
Net Loans	76,084	55,303
Other Assets	8,097	7,890
Total Assets	\$ 121,614	\$ 116,332

LIABILITIES (IN THOUSANDS)		
Shares	\$ 38,379	\$ 33,747
Share Drafts	28,987	29,041
Other Shares	2,823	2,878
Money Market Accounts	28,846	23,412
Share Certificates	6,729	11,056
IRA Shares & Certificates	4,026	4,250
Total Shares	109,790	104,111
ALL Other Liabilities	339	294
Regular Reserves	2,003	2,003
Undivided Earnings	9,407	9,437
Unrealized G/(L) on Investments	75	487
Total Members' Equity	11,485	11,927
Total Liabilities & Members' Equity	\$ 121,614	\$ 116,332

Statement of Income & Expense

INTEREST INCOME (IN THOUSANDS)		2021	2020
Interest on Loans	\$	2,714	\$ 2,681
Investment Income		420	575
Total Interest Income		\$3,134	\$3,256
NON-INTEREST INCOME (IN THOUSANDS)			
Fee Income		1,155	1,049
Other Income		268	195
Net Gain on Investments		58	121
Total Non-Interest Income		1,481	1,365
Total Income		4,615	4,621
OPERATING EXPENSES (IN THOUSANDS)			
Salaries & Benefits		1,976	2,038
Office Occupancy		392	392
Office Operations		865	937
Advertising & Promotion		10	9
Loan Servicing		134	50
Professional Outside Services		765	667
Other Operating Expenses		168	108
Total Operating Expenses		4,310	4,201
NON-OPERATING EXPENSE (IN THOUSANDS)			
Provision for Loan Losses		36	457
Net Income Before Dividends		269	(37)
Dividends and Interest		299	358
Net Income	\$	(30)	\$ (395)

CPA Report



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Members, Board of Directors,
and Supervisory Committee
Credit Union of the Rockies
Golden, Colorado

We were engaged by the Supervisory Committee to perform independent audits of Credit Union of the Rockies (the Credit Union), which comprise the statements of financial condition as of December 31, 2021 and 2020, and the related statements of operations, comprehensive income, change in members' equity and cash flows for the years then ended, and the related notes to the financial statements.

In the independent auditor's report, we expressed an unmodified opinion on the Credit Union's financial statements. An unmodified opinion states that the financial statements present fairly, in all material respects, the statements of financial condition as of December 31, 2021 and 2020, and the related statements of operations, comprehensive income, change in members' equity and cash flows for the years then ended, and the related notes to the financial statements, in accordance with accounting principles generally accepted in the United States of America.

A full copy of the independent auditor's report and audited financial statements is available from the Credit Union upon request.

We have not reviewed or audited the condensed financial information included in this document prepared by management, and accordingly do not express an opinion or provide any assurance on the presentation of this financial information.

BKD, LLP

Denver, Colorado
April 26, 2022



Nomination Committee Report

2022 Annual Meeting – Nominating Committee

Credit Union of the Rockies – Board of Directors

Incumbents for Re-Election by the Membership

Nathan Peterson

3 year term – expiring 2025

Wendy Davis

3 year term – expiring 2025

Credit Union of the Rockies – Supervisory Committee

Incumbents for Re-Appointment by the Board of Directors

Alan Flesh

3 year term – expiring 2025

Gregory Beal

3 year term – expiring 2025



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All deposits are federally insured by the National Credit Union
Administration (NCUA) to at least \$250,000 and backed by full
faith and credit of the United States Government.

