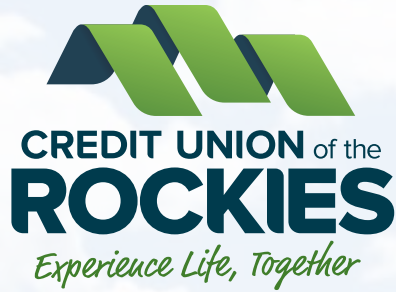


Annual Report 2022



CREDIT UNION of the
ROCKIES

Experience Life, Together



86TH ANNUAL MEETING OF THE MEMBERSHIP

May 25th, 2023

In-Person and Video Conference (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. Nominating Committee Report
- XI. Election
- XII. New Business
- XIII. Adjournment

Meeting Minutes

May 26th, 2022 Annual Meeting / 85th Annual Meeting

Call to Order: Chairman Nathan Peterson called the meeting to order at 5:33 pm on Thursday, May 27th, 2022, 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: President/CEO Peter Bullard started by recognizing Milford Adams from the Board of Directors for being awarded the first ever Diversity, Equity, and Inclusion Award from the Denver Business Journal. As he celebrated the one-year mark of becoming the permanent President/CEO for Credit Union of the Rockies, he highlighted the achievements of 2021 included in the packet. Mr. Bullard stated that he is enthusiastic for the upcoming changes and growth initiatives related to supporting our membership; referencing that we are continuing to hire for needed roles within the organization and strengthening role-based responsibilities while maintaining work-life balance. Chairman Peterson commended management and the entire staff for the accomplishments in 2021 under new leadership. Recognizing that loan to share ratio is the highest it has ever been, and the Board does not take that likely.

Supervisory Committee Report: Supervisory Committee Vice Chairman Alan Flesh referred the membership to the written report included in the 2021 annual report and asked if there were any questions concerning the report. There were none.

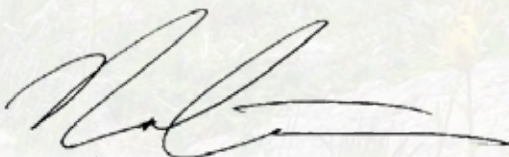
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Secretary/Treasurer Report: Secretary/Treasurer Martina Ferris reported that the Credit Union assets were up 4.54% over last year, resulting in \$121million in assets. She referenced the funding of \$129M in new loans (\$20M increase) and noted that our loan delinquency rate is being managed effectively and is considered extremely low at 0.02% in 2021. Credit Union of the Rockies made 1,252 loans which marked the 10th straight year above 1,000 new loan level.

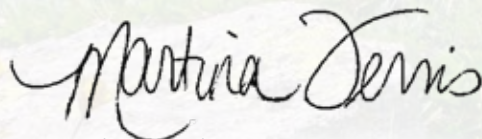
CPA Report: President / CEO Mr. Bullard referenced the CPA letter in the Annual Report and reported that the Credit Union received an unmodified opinion from BKD, the Credit Union's CPA firm for 2021.

Nomination Committee Report: President / CEO Mr. Bullard delivered the report of the Nominating Committee. Mr. Bullard addressed the two nominees for the Board of Directors seats. The incumbents, Nathan Peterson and Wendy Davis were re-nominated for 3-year terms (through 2025). Milford Adams motioned to approve the nominations by acclamation. Rich Ferris provided support. The motion carried unanimously. Next, he addressed the one appointment for the Supervisory Committee seat that was available. The incumbents, Alan Flesh and Gregory Beal were re-appointed by the Board of Directors for a 3-year term (through 2025).

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 5:59pm.

A stylized, handwritten signature in black ink, appearing to read 'N. Peterson'.

Nathaniel Peterson, *Chairman*

A stylized, handwritten signature in black ink, appearing to read 'Martina Ferris'.

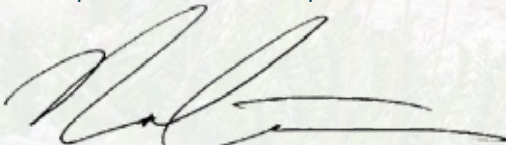
Martina Ferris, *Secretary/Treasurer*

Report to the Membership

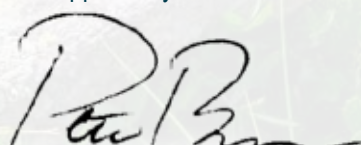
86 years serving our membership and what a remarkable year 2022 was for Credit Union of the Rockies. I think we are all in agreement that our post-pandemic country is now a very different place. Over the past couple of years, we have witnessed a worldwide pandemic, record inflation, and constant economic pressures. The Federal Reserve raised rates 425 Basis Points (4.25%) in 2022, the highest since 2007, and we expect more rate increases through 2023. These increases are great for our members that primarily have a deposit relationship with the credit union who have dealt with a low-rate environment for many years. But the same is not true for our members who borrow from the credit union and who saw loan rates rise steadily through 2022. The pressure and uncertainty of the economy and how people leverage assets is always a sensitive matter, but now more than ever it's important that we collaborate on the best use of how we use net worth and strategic debt to enrich the lives of our membership. It is our intention to facilitate the financial goals of our membership through genuine solution-oriented interactions, offering competitive financial products and services, and by demonstrating our commitment to the communities that we serve. Banking feels as if it has become a "one size fits all" offering, but at Credit Union of the Rockies we strive to build real relationships in order to understand the unique needs of our members.

Serving the mountain communities of Colorado, we seek out staff personnel that are active in those communities. So much of our continued success in creating remarkable member experiences stems from our talented staff members. With this in mind, in 2022 we celebrated 24 employee anniversaries that totaled 86 years of service to Credit Union of the Rockies! 86 years in business – 86 years served by the dedicated employees that make your credit union what it is today! All of us are extremely excited about our community involvement initiatives. We equally contribute to the communities that we serve and participate in events for schools, first responders, Habitat for Humanity, and one of Summit County's largest non-profits – the Family and Intercultural Resource Center (FIRC). Our ability to turn the credit union around financially allows us to offer educational courses and monetary contributions to help support the communities that we care so deeply about.

The credit union is proud of the many initiatives that were finalized in 2022. We enhanced our entire ATM fleet with the purchase of 3 new machines, we worked through a major debit and credit card conversion, we brought back the ability for our members to open business accounts at the credit union, upgraded most of our IT equipment to ensure our security is first-rate, and too many others to name them all. Like most of the credit unions across the nation, we are actively seeking new member relationships in order to strengthen our deposit core. Bearing in mind that your credit union continues to remain stable, profitable, and well-capitalized. We thank you for the opportunity to serve!



Nathaniel Peterson
Board Chairman



Peter Bullard, CUDE
President/CEO

Supervisory Committee Report for '22

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, review audit findings and determine that adequate internal controls are established and maintained.

Key activities include the Credit Union's annual external audit, performed by FORVIS, LLP (Formerly BKD), who found no material weaknesses in our financial statements. FORVIS 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, 2022, FORVIS'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 responses to the findings. The transition from our audit tracking spreadsheets to the Red Board audit tracking software from the previous year has streamlined the level of collaboration between the Committee, Management and Staff. This has centralized the assignment, tracking and reporting of tasks submitted from audits and management functions.

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 John Huddleston, who joined in December 2022. The Committee is interested in new members, and we hope some Credit Union members will be interested in volunteering to help with this vital role in the future.

Treasurer's Report - May '22

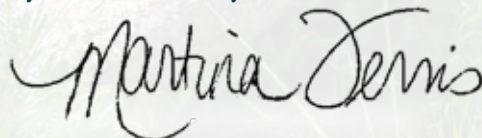
The credit union faced many challenges throughout the year as the Federal Reserve increased rates at a pace never seen before. Albeit, the credit union remains stable and in a great position for future growth. During 2022, assets increased to \$124,187,200, an increase of 2.12% over 2021. Total member deposits ended the year at \$112,655,563, an increase of 2.61% over 2021. Our membership at the end of December 2022 was 9,286, a slight increase from the 9,252 members recorded in December 2021.

In 2022, Credit Union of the Rockies made 1,147 new loans to members, which marked the 11th straight year above the 1,000 new loan level. These new loans totaled \$37,709,500. Our total loan portfolio was \$91,585,500 in total loans outstanding, an increase of \$16,500,000 from 2021. Our loan delinquency rate was 0.44% as of December 2022. Staff have continued working hard on serving our member's lending needs in a timely and convenient manner. Credit Union of the Rockies returned \$252,000 to its members during 2022 in the form of dividends.

With the increase in prime rates during 2022, the credit union increased interest income by \$509,000 from 2021 to 2022. Non-interest income continued to drop as the credit union continued its' efforts during 2022 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 \$4,331,000, representing 86.3% of the gross income (down from 93.4% in 2021) of the credit union and supporting the credit union's mission of providing financial solutions to members to reach their financial goals.

Credit Union of the Rockies net income was \$329,050 versus \$(5,016) for 2021 with pre-provision for loan loss net income of \$393,500 versus \$30,600 for 2021. Credit Union of the Rockies's net worth ratio, which is a measure of financial stability and soundness, remained strong in 2022 at 9.45%, a slight increase from previous year's net worth ratio of 9.38%. 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 to continue to earn your trust and patronage. We look forward to continuing to serve you in 2023 and beyond.



Marty Ferris, Secretary/Treasurer

Statement of Financial Condition

ASSETS (IN THOUSANDS)	12/31/22	12/31/21
Cash and Cash Equivalents	\$ 4,579	\$ 11,692
Investments Available-For-Sale	20,006	25,741
Loans	91,585	76,701
Allowance for Loan Losses	(572)	(617)
Net Loans	91,013	76,084
Other Assets	8,589	8,097
Total Assets	\$ 124,187	\$ 121,614

LIABILITIES (IN THOUSANDS)		
Shares	\$ 41,624	\$ 38,379
Share Drafts	28,793	28,987
Other Shares	3,259	2,823
Money Market Accounts	24,557	28,846
Share Certificates	11,154	6,729
IRA Shares & Certificates	3,268	4,026
Total Shares	112,656	109,790
ALL Other Liabilities	1,645	339
Regular Reserves	2,003	2,003
Undivided Earnings	9,736	9,407
Unrealized G/(L) on Investments Total	(1,852)	75
Members' Equity	9,887	11,485
Total Liabilities & Members' Equity	\$ 124,187	\$ 121,614

Statement of Income & Expense

INTEREST INCOME (IN THOUSANDS)		2022	2021
Interest on Loans	\$	3,235	\$ 2,714
Investment Income		407	420
Total Interest Income		3,652	3,134
NON-INTEREST INCOME (IN THOUSANDS)			
Fee Income		1,104	1,155
Other Income		263	268
Net Gain on Investments		11	58
Total Non-Interest Income		1,378	1,481
Total Income		5,020	4,615
OPERATING EXPENSES (IN THOUSANDS)			
Salaries & Benefits		2,208	1,976
Office Occupancy		444	392
Office Operations		663	865
Advertising & Promotion		29	10
Loan Servicing		178	134
Professional Outside Services		698	765
Other Operating Expenses		111	168
Total Operating Expenses		4,331	4,310
NON-OPERATING EXPENSE (IN THOUSANDS)			
Provision For Loan Losses		64	36
Net Income Before Dividends		625	269
Dividends and Interest		296	299
Net Income	\$	329	\$ (30)

Nomination Committee Report

2023 Annual Meeting – Nominating Committee

Credit Union of the Rockies – Board of Directors

Incumbents for Re-Election by the Membership

Martina Ferris	3 year term - expiring 2026
David Reynolds	3 year term - expiring 2026
Andrew McCabe	3 year term - expiring 2026

Credit Union of the Rockies – Supervisory Committee

Incumbents for Re-Appointment by the Board of Directors

John Huddleston	3 year term - expiring 2026
Mark Johnston	3 year term - expiring 2026





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All deposits are federally insured by the National Credit Union
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faith and credit of the United States Government.

