



2008 Annual Report

**February 27, 2008
6:00 p.m.**

**Gala Gardens
Restaurant & Lounge
Commerce City**

2008 Annual Meeting Agenda

- Call to Order – Jeannette A. Lewis
- Ascertain a Quorum is Present – Jeannette A. Lewis
- Election – No Ballot – Debbie Larsen
- Acceptance of Minutes of February 13, 2007 Annual Meeting – Jeannette Lewis
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- Introduction of Staff and Volunteers – Rainy Thoen
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- President’s Report – Rainy Thoen
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- Board of Director’s Report – Jeannette Lewis
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- Treasurer’s Report – Sam Gomez
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- Credit Officer’s Report – Rainy Thoen
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- Supervisory Committee’s Report – Debra Larsen
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- Unfinished Business – Jeannette Lewis
- New Business – Jeannette Lewis
- Drawing – Rainy Thoen
- Special Awards/Recognitions – Rainy Thoen
- Adjournment – Jeannette Lewis

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Community Choice Credit Union 56th Annual Meeting Minutes February 13, 2007

Board Members Present: Jerry Smittkamp, Vice Chairperson
Barbara Peters, Secretary
Chuck Baker, Director
Sharon Nash, Director
Rick Rhine, Director
Karl White, Director
Sam Gomez, Director

Board Members Absent/Excused: Jeannette Lewis, Chairperson - excused
Kurt Braun, Treasurer - resigned

Credit Union Staff Present: Rainy Thoen, President, and
Community Choice Credit Union Staff

Other: Debra Larsen, Supervisory Committee
Fred Limmel, Secretary - excused
Domenic Teto
Joe Holeman

Credit Union Members Present: 43

- I. **Call to Order** – Meeting was called to order by Jerry Smittkamp at 6:10 p.m.
- II. **Ascertain A Quorum is Present – Jerry Smittkamp – Chairperson** – It was ascertained that a quorum was present.
- III. **Report on Election – Debra Larsen** – Debra reported there is no ballot for this coming year and the Board of Directors and the Supervisory committee will be as follows for the coming year: Board members are: Chuck Baker (Director), Sam Gomez (Director), Jeannette Lewis (Chairperson), Sharon Nash (Director), Barbara Peters (Secretary), Rick Rhine (Treasurer), Jerry Smittkamp (Vice Chairperson), and Karl White (Director). Supervisory Committee members will be: Debra Larsen (Chairperson), Fred Limmel (Secretary), Domenic Teto, and Joe Holeman.
- IV. **Acceptance of Minutes of February 13, 2006, Annual Meeting** – A motion was made by Keli Ginter to accept the minutes of February 13th, 2006 Annual Meeting. Domenic Teto seconded the motion. Motion carried.
- V. **Introduction of Board of Directors, Staff and Volunteers – Rainy Thoen** - Rainy Thoen introduced the staff, the Board of Directors', and the Supervisory Committee of Community Choice Credit Union and thanking them for their service.
- VI. **President's Report – Rainy Thoen** - Rainy gave an overview of her report. Rainy's report stated that the credit union depends on the members. The mission of the credit union is to improve member's financial needs. Success has been demonstrated in the credit union's financial condition even with many challenges that have occurred during this past year. A decision was made to close the branches and the credit union developed a program that would allow member's to utilize the shared branching network free of charge. This also provided members the opportunity to use loca-

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tions worldwide. Rainy thanked Kurt Braun and James Marcellus for all their time volunteering at the credit union. Rainy thanked everyone for their support and for attending the Annual Meeting.

- VII. **Board of Director's Report – Jerry Smittkamp** – Jerry gave the Board of director's Report due to the excused absence of Jeannette Lewis. Jerry stated that when the Board and the Supervisory Committee met during the October Planning Session, one of the goals was to continue to offer services and products that mirror larger financial institutions. The Board's objective was to give our members competitive loan rates and high dividends while continuing to be fiscally secure. The credit union has excelled at meeting this goal. All Staff and member volunteers deserve a vote of thanks for their dedication and without your commitment to the credit union we could not have achieved success.
- VIII. **Treasurer's Report – Rainy Thoen** – Rainy Thoen gave an overview of the Financial Statements. She stated that the credit union remains strong.
- IX. **Credit Officer's Report – Rainy Thoen** – Rainy Thoen summarized the Credit Officer's Report and stated that the credit union will continue to look for ways to encourage loan growth. Loan growth has slowed due to economic conditions and changes to the level of risk acceptable for our loan portfolio. The credit union is committed to continue searching for lending products that will assist you in reaching your financial goals.
- X. **Supervisory Committee's Report – Debra Larsen** – Debra gave an overview of the Supervisory Committee Report. The Supervisory Committee will continue to monitor the credit union to ensure that your funds are safe and secure. The reports and results of audits and state examiners continue to show that the credit union is operating in a financially sound manner. Debra thanked everyone for their support and loyalty to the credit union.
- XI. **Unfinished Business – Jerry Smittkamp** – There was no unfinished business to discuss. A member stated that she would like to see the receipts made bigger. Rainy Thoen stated that this issue has already been addressed.
- XII. **New Business – Jerry Smittkamp** – A brief discussion occurred about next year's annual meeting. The credit union would welcome member's suggestions. Rainy stated that the annual meeting has to be held by May 1st to be in compliance with the law.
- XIII. **Drawing – Keli Ginter & Rainy Thoen**– Rainy Thoen thanked all the contributors for the items that were donated for the drawings. Various items donated a picnic basket, nuts, numerous certificates, cash envelopes, Mary Kay gift bags and golf balls. Winning ticket holders received the items donated.
- XIV. **Board of Directors, Supervisory Committee & Special Awards/Recognition - Rainy Thoen** – Rainy presented to the Board of Directors and the Supervisory Committee members a token of appreciation for their dedication and hard work. Rainy presented the Employee of the Year Award to Deborah Eddy. Rainy acknowledged all of the employees for their outstanding service especially the Management Team.
- XV: **Adjournment – Jerry Smittkamp** – The Annual Credit Union Meeting was adjourned at 7:14 p.m.

Approved By: Jerry Smittkamp
Jerry Smittkamp, Vice Chairperson

Barbara L. Peters
Barbara L. Peters, Secretary

Board of Directors

Jeannette Lewis - Chairperson
Jerry Smittkamp - Vice Chairperson
Sam Gomez - Treasurer
Barbara Peters - Secretary
Chuck Baker - Director
Sharon Nash - Director
Karl White - Director

Supervisory Committee

Debra Larsen - Chairperson
Fred Limmel, Secretary
Domenic Teto
Joe Holeman

Management Team

Rainy Thoen - President/CEO
Cathy Fowler - Chief Financial Officer
Keli Ginter - Chief Operations Officer

The Team

Michelle Craft - Member Services
Deborah Eddy - Accounting Specialist
Matt McKenzie - Collection Specialist
Mirna Orozco, Administrative Assistant
Martelle Sandoval, Teller
Tiffany Stepp, Loss Mitigation Specialist
Rosa Talamantes - Member Services

President's Report

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Our industry has experienced many challenges this past year. Concerns that directly impacted our financial statements included delinquency and charge off trends, diminishing loan demand, and limited growth. Although we were not alone in this arena, we did have to make difficult decisions and make various changes to our operations to ensure continued success.

In addition to addressing the challenges cited above, your credit union management team continued to focus on member services during 2007 by becoming a shared branching facility. This allows us to process transactions for other credit unions that belong to the shared branch network. If you belong to another credit union that is involved with this network we can handle those transactions for you!

We also signed an agreement with an in-direct lending company to provide convenience for you when shopping for a new or used automobile. Several members mentioned they would have financed with us if we were a part of the indirect network, so we realized we needed to change to continue providing services the membership value. Of course we would rather close the loan for you, however we realize time is limited, so if you are out shopping at a dealership on Saturday night and decide to purchase a car, the dealership can take care of the paperwork and they will then send the loan documents to your credit union!

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 perilous 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.

During the past year, the management team and elected officials analyzed several credit union trends to determine the best course of action and to address what changes needed to come about. The core review was focused on how we could improve member services, offer competitive rates, and continue to grow to accomplish our mission and vision.

Excelling at reaching our vision depends on you, the member's, who keep 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

President's Report

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highly talented, dedicated, driven team of amazing individuals!

We have great plans in store for Community Choice Credit Union for 2008. We will be pursuing various grant programs to assist us in serving the underserved. We also are focused on rates and products to assist you in feeling secure with your money during the economic uncertainties. Economic reports are predicting 2008 will demonstrate modest improvements. In light of current conditions, your leaders have planned for conservative, well managed growth. We continue to analyze various avenues to ensure safety and soundness issues are always addressed.

Speaking about our operations, I believe it is important for our members to realize that we take care of all the operations at our location. We are your local, hometown credit union! The business you conduct with our credit union supports our members! We pull our resources to help each other!

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 needs. 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

Rainy Thoen
CEO/President

**BOARD OF DIRECTOR'S ANNUAL REPORT
February 27, 2008**

This past year has been an incredible year for Community Choice Credit Union. Beginning with our planning session in October 2006, when the Board of Directors and the Supervisory Committee met to develop our financial goals for the year 2007. With the weak economy, and Adams County having one of the highest rates of bankruptcies in the nation we had to analyze where our credit union was at, where it was going and how we could promote our presence in the community.

Our goal was to continue to offer the most competitive rates, services and products of any Credit Union in the metro area while maintaining a healthy, financially sound institution. Your Board of Directors and Supervisory Committee realized that in today's market we needed an aggressive plan to stimulate the financial growth of our small hometown credit union. Not an easy task, but the board was ready to meet this challenge. Our mission clearly was to make a positive difference in the year 2007.

The success of the Credit Union is due to our incredible staff. Without their total dedication to Community Choice, and to the overall credit union industry philosophy we would not have been able to continue to service this community. I can't begin to tell you how very proud I am of the success you have created. Your commitment and work ethics are commendable. To each and every one of you, my heartfelt thanks. Congratulations on a job well done!

This past year showed overall membership satisfaction high with Community Choice services and staff commitment. We value each of you and appreciate your comments and concerns. Please continue to give us suggestions throughout the year. Remember this is your credit union.

Thanks to all the volunteers who give so freely of their time and talents to serve Community Choice Credit Union, for the many hours you unselfishly give and the incredible gift of knowledge you bring. I have enjoyed working with each of you this past year and I look forward to 2008.

It has been my privilege to serve Community Choice Credit Union this past year. I wish all of you continued success.

Sincerely,

Jeannette Lewis

Jeannette Lewis
Chairperson, Board of Directors

2007 Balance Sheet

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ASSETS	December 31, 2007
TOTAL LOANS	\$ 18,972,550
LESS:ALLOWANCE FOR LOAN LOSSES	\$ (400,547)
CASH AND CASH EQUIVALENTS	\$ 776,921
TOTAL INVESTMENTS	\$ 8,595,502
LAND AND BUILDING	\$ 673,103
OTHER FIXED ASSETS	\$ 100,779
OTHER REAL ESTATE OWNED	\$ -
OTHER ASSETS/	\$ 207,467
TOTAL ASSETS	\$ 28,925,775
LIABILITIES	
TOTAL BORROWINGS	\$ -
ACCRUED DIVIDENDS PAYABLE ON SHARES	\$ -
ACCOUNTS PAYABLE AND OTHER LIABILITIES	\$ 117,614
SHARES AND EQUITY	
TOTAL SHARES AND DEPOSITS	\$ 25,719,786
REGULAR RESERVES	\$ 1,139,759
ACCUML. UNREALIZED GAINS/LOSS (SECURITIES)	\$ -
OTHER RESERVES	\$ -
UNDIVIDED EARNINGS	\$ 1,948,616
NET INCOME (UNLESS INCLUDED IN #17)	\$ -
TOTAL LIABILITIES AND EQUITY	\$ 28,925,775
TOTAL RESVS. & U.E.	\$ 3,088,375

2007 Statement of Income and Expense

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INCOME 12-31-07

INTEREST ON LOANS	\$ 1,680,042
LESS INTEREST REFUNDED	\$ -
INCOME FROM INVESTMENTS	\$ 303,617
INCOME (LOSS FROM TRADING SECURITIES)	\$ -
FEE INCOME	\$ 497,180
OTHER OPERATING INCOME	\$ 184,767
TOTAL GROSS INCOME	\$ 2,665,606

EXPENSES (OPERATING)

EMPLOYEE COMPENSATION AND BENEFITS	\$ 673,076
TRAVEL AND CONFERENCE EXPENSE	\$ 23,398
OFFICE OCCUPANCY EXPENSE	\$ 96,188
OFFICE OPERATIONS EXPENSE	\$ 498,266
EDUCATIONAL AND PROMOTIONAL EXPENSES	\$ 11,397
LOAN SERVICING EXPENSE	\$ 43,994
PROFESSIONAL AND OUTSIDE SERVICES	\$ 25,766
PROVISION FOR LOAN LOSSES	\$ 617,421
BOND/CASUALTY INSURANCE	\$ 33,154
OPERATING FEES EXAMINATION/SUPERVISION	\$ 3,914
MISCELLANEOUS OPERATING EXPENSES	\$ 20,312
TOTAL OPERATING EXPENSES	\$ 2,046,886
INCOME/(LOSS) FROM OPERATIONS	\$ 618,720

NON-OPERATING GAINS OR LOSSES

GAIN/LOSS ON INVESTMENTS	\$
GAIN/LOSS ON DISPOSITION OF FIXED ASSETS	\$ 232,622
OTHER NON-OPERATING INCOME/EXPENSE	
EXTRAORDINARY GAINS/LOSSES	
INCOME/LOSS BEFORE COST OF FUNDS	\$ 851,342

COST OF FUNDS

INTEREST ON BORROWED MONEY	\$ 325
DIVIDENDS ON SHARES/DEPOSITS	\$ 702,119

NET INCOME/LOSS AFTER COST OF FUNDS	\$ 148,898
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Credit Officer's Report

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Credit Officer Report
Presented by:
Rainy Thoen, President/CEO

The lending environment presented many challenges for financial institutions in 2007. The sub-prime market created a rollercoaster of economic events that have created great concerns. Your credit union practices are very prudent which shields us from many of the negative implications. Your management team and Board of Director's monitor the portfolio to balance risk with member growth and development.

This prudent practice is noticeable in our modest total loans granted for 2007. Challenges associated with credit history and debt to income issues coupled with declining housing values created many obstacles in the approval process. The past three years the credit union has booked the following dollar amount in loans:

Total loans for the credit union in 2005	\$ 9,028,802.00
Total loans for the credit union in 2006	\$ 7,159,535.79
Total loans for the credit union in 2007	\$ 3,852,654.82

During 2007 your management team worked diligently to implement several new lending avenues to assist our members in obtaining the best financing available. We have a wonderful mortgage team that has many products available. In addition to mortgages, we executed a program to provide convenient automobile financing at the dealership.

We will continue to look for ways to encourage loan growth, such as our newest product called Loans PQ! This is an automated loan approval system. Members meeting the specified guidelines can apply and receive preliminary loan approvals within seconds! This product is available via our web page at www.communitychoicecreditunion.com 24 hours a day, 7 days a week!

During 2008, our mission is to provide great service and competitive rates. Great service is demonstrated through all of our lending challenges. We are committed to serving you in the fashion that is most suitable to you. You can apply in person, on-line, over the telephone, at various dealerships or by fax. Service is extremely important, so we will continue to have loan officers available in conjunction with the automated system. Our team is extremely knowledgeable and dedicated to providing quality service through whichever fashion you desire.

In addition to a wide range of lending products, the Board of Directors worked diligently to offer competitive lending rates. I hope the next time you are in the market for a car loan, a mortgage, or a new visa card, you will stop by the credit union and check out our first class, hassle free service and are amazing rates!

We are proud to serve you, the membership, and sincerely hope that you will feel confident in using Community Choice Credit Union for all of your financial needs!

Respectfully Yours,

Rainy Thoen

Rainy Thoen
President

Supervisory Committee's Report

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As your credit union Supervisory Committee, we have a commitment to supervise the overall safety and soundness of your credit union. Our primary responsibilities are to ensure the effectiveness of internal checks and balances and adherence to established policies and procedures. 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 Petersen and Associates, an independent audit firm. The firm will audit the financial records of the credit union as of December 31, 2007.

We also had a state exam and continued our detailed internal audit program during 2007. We, as your credit union Supervisory Committee, take all measures possible to provide the best service possible while maintaining all compliance issues. In addition to our scheduled audits and examinations, the credit union had a Bank Secrecy Audit, an electronic funds (ACH) audit, and an audit of our asset-liability program performed in 2007. We continue to monitor risk protection services and products to ensure the safety of our infrastructures.

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 show your credit union to be 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 a minimum of \$100,000.00 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, 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 loyal members and the support you give to make Community Choice Credit Union the "choice credit union"!

Sincerely,

Debra Larsen
Debra Larsen
Supervisory Chairperson