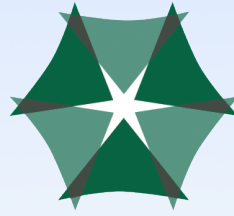




2024 ANNUAL REPORT

credit union
OF DENVER 

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OF DENVER**



Mission Statement:

*“To be a trusted partner
for our members in
reaching their financial
goals by providing
superior value, products
and services.”*

2024 Making an Impact in Our Community

In 2024, C·U·D employees volunteered a total of 674 hours to non-profit, educational and similar institutions!

Bite of Reality

We've introduced an interactive mobile app program to local schools that teaches students essential budgeting skills.

Children's Hospital

Employees volunteered three days of their time to craft over 150 cozy, handmade no-sew blankets for the patients of Children's Hospital.

Foothills Animal Shelter

The Annual C·U·D Community Pet Calendar for 2024 generated \$6,987.82 in donations.



Report of the Treasurer

Doug Burke – Treasurer

I am pleased to report that the Credit Union of Denver closed out 2024 in solid financial condition with a strong Balance Sheet and Income Statement. Despite a volatile rate environment and persistent inflation exerting pressure on net interest margin and loan performance, the credit union navigated 2024 successfully. Return on assets was 0.11% and we remained well capitalized under NCUA guidelines with a Net Worth ratio of 12.16%. Below is a table listing more financial highlights. Maintaining financial strength has been a crucial aspect of our past, present, and future, allowing the credit union to be the partner of choice for our membership.

Financial Highlights			
	2024	2023	Percentage Change
Members	72,333	70,853	2.1%
Deposits	\$1.06 billion	\$1.04 billion	1.9%
Loans	\$762.4 million	\$699.1 million	9.1%
Total Assets	\$1.17 billion	\$1.45 billion	-19.4%*

*\$.30 billion of decrease due to repayment of temporary arbitrage program.

In addition, the credit union paid \$27.2 million to our members in the form of dividends and interest. That is \$9.8 million and 56% more than was distributed in 2023.

In 2024, we made continued investments in digital modernization to enhance our banking platforms, cybersecurity measures, technological infrastructure, and talent. These efforts aimed to improve member experience, increase operational efficiency, and establish our credit union as a leader in digital financial services. Despite the substantial financial commitment, we have remained financially strong, increased our asset and membership base, and stayed true to our mission: “To be a trusted partner for our members in reaching their financial goals by providing superior value, products and service”.



Statement of Financial Condition

	2024	2023
Assets		
Cash & Cash Equivalents	\$79,608,253	\$396,624,578
Securities available-for-sale	295,088,547	325,086,915
Investments, other	3,958,453	3,863,937
Loans, net of allowance for credit losses	752,499,199	690,105,544
Accrued interest receivable	4,541,731	4,094,628
Property and equipment, net	5,051,612	5,486,789
NCUSIF deposit	9,288,147	9,018,660
Other assets	17,437,380	16,371,863
Total Assets:	\$1,167,473,322	\$1,450,652,914
Liabilities and Members' Equity		
Liabilities		
Members' shares and savings accounts	\$1,060,052,862	\$1,039,065,316
Accrued interest payable - borrowings	-	9,923,762
Borrowings	-	300,000,000
Accrued expenses and other liabilities	3,752,494	4,291,027
Total liabilities	1,063,805,356	1,353,280,105
Members' Equity		
Undivided earnings	141,948,356	140,491,315
Accumulated other comprehensive loss	(38,280,390)	(43,118,506)
Total members' equity	103,667,966	97,372,809
Total Liabilities and Members' Equity	\$1,167,473,322	\$1,450,652,914

Statement of Income

	2024	2023
Interest and dividend income:		
Loans	\$46,829,352	\$37,308,859
Investments	6,349,297	5,551,545
Interest bearing deposits in banks	8,894,140	14,091,760
Total interest and dividend income	62,072,789	56,952,164
Interest and dividend expense:		
Members' shares and savings accounts	27,212,275	17,420,262
Other borrowed funds	4,109,213	9,923,842
Total interest and dividend expense	31,321,488	27,344,104
Net interest income	30,751,301	29,608,060
Provisions for credit losses, loans	5,889,963	4,230,735
Benefit for credit losses, unfunded commitments	(19,799)	(39,197)
Net interest income after provision for loan losses	24,881,137	25,416,522
Non-interest income:		
Fees for member services	2,593,470	2,606,330
Interchange and outlet income	4,051,824	4,144,438
Other operating income	1,011,564	809,996
Total non-interest income	7,656,858	7,560,764
Non-interest expense:		
Compensation and benefits	16,509,530	13,952,433
Office occupancy expense	1,828,465	1,921,142
Plastic Card, ATM, and Shared Branch Expenses	4,089,317	3,657,405
Other operating expenses	8,653,642	7,830,241
Total non-interest expense	31,080,954	27,361,221
Net income	\$1,457,041	\$5,616,065

Statement of Members' Equity

	Accumulated Other Comprehensive Income (Loss)	Undivided Earnings	Total
Balance, December 31, 2022	\$(51,571,724)	\$137,310,369	\$85,738,645
Net income	-	5,616,065	5,616,065
Other comprehensive loss	8,453,218	-	8,453,218
Cumulative effect of adoption of Accounting Standards Update (ASU) 2016-13	-	(2,435,119)	(2,435,119)
Balance, December 31, 2023	(43,118,506)	140,491,315	97,372,809
Net income	-	1,457,041	1,457,041
Other comprehensive income	4,838,116	-	4,838,116
Balance, December 31, 2024	\$(38,280,390)	\$141,948,356	\$ 103,667,966

Report of the Supervisory Committee

Laura Avila – Chairperson

The Supervisory Committee is comprised of volunteer, fellow credit union members, elected by the overall membership. In our role, we review and evaluate both the internal and external audits along with the financial reports to ensure risk is managed and the financial reporting is accurate all in an effort to safeguard your assets.

The credit union completed its annual examination by the State and NCUA in November. The exam went smoothly, and the credit union was credited for its achievements over the past year. Moss Adams LLP, a highly respected accounting firm performs the annual opinion audit of the Credit Union's financial statements. We fully anticipate a clean, unmodified opinion, indicating that the financial statements are accurate and fairly presented with no material exceptions.

The Committee continued its engagement with WSC Financial Service, an independent auditor, to perform monthly internal audits as directed by the Committee. The Committee's goal is to ensure that the Credit Union's controls are appropriate, the policies are followed and required documentation is accurate and properly maintained. I am pleased to report that over the course of this past year there were no material findings.

My appreciation and gratitude to all the Credit Union's management and staff as well as the elected volunteers who serve on the Board of Directors. I would also like to thank you, our member-owners, for placing your trust in Credit Union of Denver. Finally, I would like to thank the dedicated volunteers who served on the Supervisory Committee this past year.

Our Committee members in alphabetical order are: Laura Avila, Aimee Cucarola, Merry Davis, Megan Estep, Jacque Ganger, Robin Morthland and Linda Rihel-Todd.

Credit Officer's Report

Tony Nieto - Chief Lending/Credit Officer

In 2024, Credit Union of Denver experienced robust growth in its lending areas, with total loans outstanding increasing by \$63.3 million, or 9.05%. This growth was driven by various loan categories, including HELOCs, which saw an annualized increase of almost 18%. Despite the challenges posed by inflation and the labor market, the Credit Union prudently increased its Loan to Share ratio to 71.9%, up from 67.3% at the beginning of the year. This indicates that a greater portion of members' deposits are being utilized to fund member loans, which is central to the mission of our credit union.

For the year ending 12/31/24 we had:

- Total loans outstanding of \$762,372,395
- An increase in total loans outstanding in the amount of \$63,265,244
- A total of 8,084 loans booked/funded to members for a total of \$289,631,274

Thank you for being a Credit Union of Denver member. Together, we are fostering a stronger financial community.



Report of the Chairperson & President/CEO

Kris Sapp – Chairperson, Board of Directors
Chris Wallace – President/CEO

At Credit Union of Denver, the focus has been and always will be on you, our member, as we continue to provide you with the best financial services possible. This Annual Report serves as a celebration of our accomplishments and shared resilience throughout the year, along with a reaffirmation of our steadfast commitment to you.

Our credit union had strong financial performance in 2024, reflecting your continued trust in us through asset and membership growth. The loan portfolio grew by over 9%, as we assisted members with financing for home ownership, vehicle purchases, and business expansion. Competitive savings programs provided security and strong returns. Our dividend-to-income ratio was 39.25%, ranking second highest among the state's largest credit unions, surpassing the average of 26.5%, demonstrating our commitment to returning value to our members.

The year 2024 marked a significant technology milestone for the Credit Union of Denver with the successful conversion to the new Alkami online banking platform in June. This upgrade enhanced our members' digital banking experience by providing improved functionality, dependability, and ease of use, with added services that will continue to come online as we progress into the upcoming year.

Additionally, our team made significant project advancements in converting to a new internal core banking solution, which will be live in Spring 2025. This transformative initiative underscores our ongoing commitment to innovation and member service, and will streamline operations, improve efficiency, and enable more personalized services. Members can expect faster transactions, enhanced account management features, and a foundation for advanced financial solution offerings now and into the future.

As fraud and security threats become more prevalent, we continue to bolster our cybersecurity measures to protect our members' financial data through the deployment of ultramodern security protocols and real-time threat monitoring systems. These comprehensive efforts led by our cybersecurity team strengthen our defenses to stay ahead of evolving risks, reflecting our steadfast commitment to maintaining the highest standards of security for our members.

Our community engagement was a continued priority as our employees collectively volunteered 675 hours through our Volunteer Time Off program, reinforcing our community partnership with the greater Denver area. We have enhanced our educational offerings and outreach in the past year with additional programs to further equip our members and our community with the knowledge and tools to make better informed financial decisions. We are also honored to again be recognized by Forbes as one of the Best Credit Unions in Colorado, further demonstrating our continued dedication to excellence.

It is both our greatest privilege and our responsibility to support you in achieving your financial goals. Every decision we make, every initiative we launch, and every service we provide are focused on creating meaningful value for you as we work together to build a brighter financial future for our members and our community.

On behalf of the Board of Directors and the entire Credit Union of Denver team, thank you for allowing us to continue to serve you!





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