



ROGUE CREDIT UNION™

THINKING *FORWARD*

2014-2015 **ANNUAL** REPORT



...it's a **ROGUE** thing!



2014 In Review

Wow! 58 years! 2014 was an incredible year for Rogue Credit Union! **I just want to start off by saying a huge thank you to YOU, our loyal members.**

As a result of our growing membership, we literally converted our last closet into a makeshift office, and that closet now has two people in it. We also have over 45 staff members in an old medical building in Central Point, and 10 at our property up off of North Phoenix Road at the old Scottish Rite Building. Under the guidance and approval of our Board of Directors, we began work on expanding our administration building to increase support for our growing membership.

At Rogue, we value our members and also truly value and appreciate our staff. Things would be much different if we didn't have the incredible service-minded staff that we do. Here at Rogue, they really feel more like family than staff. Like any family, we feel it is important to bring all of our staff family under one roof in order to continue to provide exceptional service to you, and to hopefully increase our efficiencies to make our service to you even better!

Consolidating our staff under one roof allows us to operate more efficiently, rather than being spread across the valley. The changes you see around Rogue are a sign of growth, which is a sign of a healthy financial institution.

We weathered the economic storms from 2008-2013 and have come out on the other side not only surviving, but thriving! Since 1956, Rogue has been there for you. With methodical planning and clear purpose, we are moving forward into 2015; we are **THINKING FORWARD** as we continue to discover ways to provide exceptional service to you-our members and our communities-while remaining your home town credit union.



BREAKING GROUND!



**FOUNDATIONS
FOR THE
FUTURE**





ADMIN BUILDING JUNE 2015



ROSEBURG Q4-2015



OCTOBER 2014



EAST MEDFORD
Q4-2015

ROGUE'S GROWTH AND SUCCESS, ALONG WITH THE CHANGE TO A STATE CHARTER, ALLOWS US TO GROW TO MEET OUR MEMBERS' NEEDS.

We are a local, member-focused credit union that continues to support our communities. Rogue is excited to be able to grow and expand, and to increase our opportunities to serve you in Southern Oregon.

Board Chair Report



I've had the privilege of serving as the **Chair of the Board of Directors for 7 years now**, and what an exciting time it has been!

As we Think Forward, I am excited for what the future holds for our members and credit union. As we look forward to 2015 and beyond, we have carefully and strategically planned, prepared, and ultimately made the decisions that we truly feel are right for you, our existing members, as well as for our future members.

Although it may seem like many changes are being made all at once, these changes have all been made after careful consideration, strategic planning, and with a purpose.

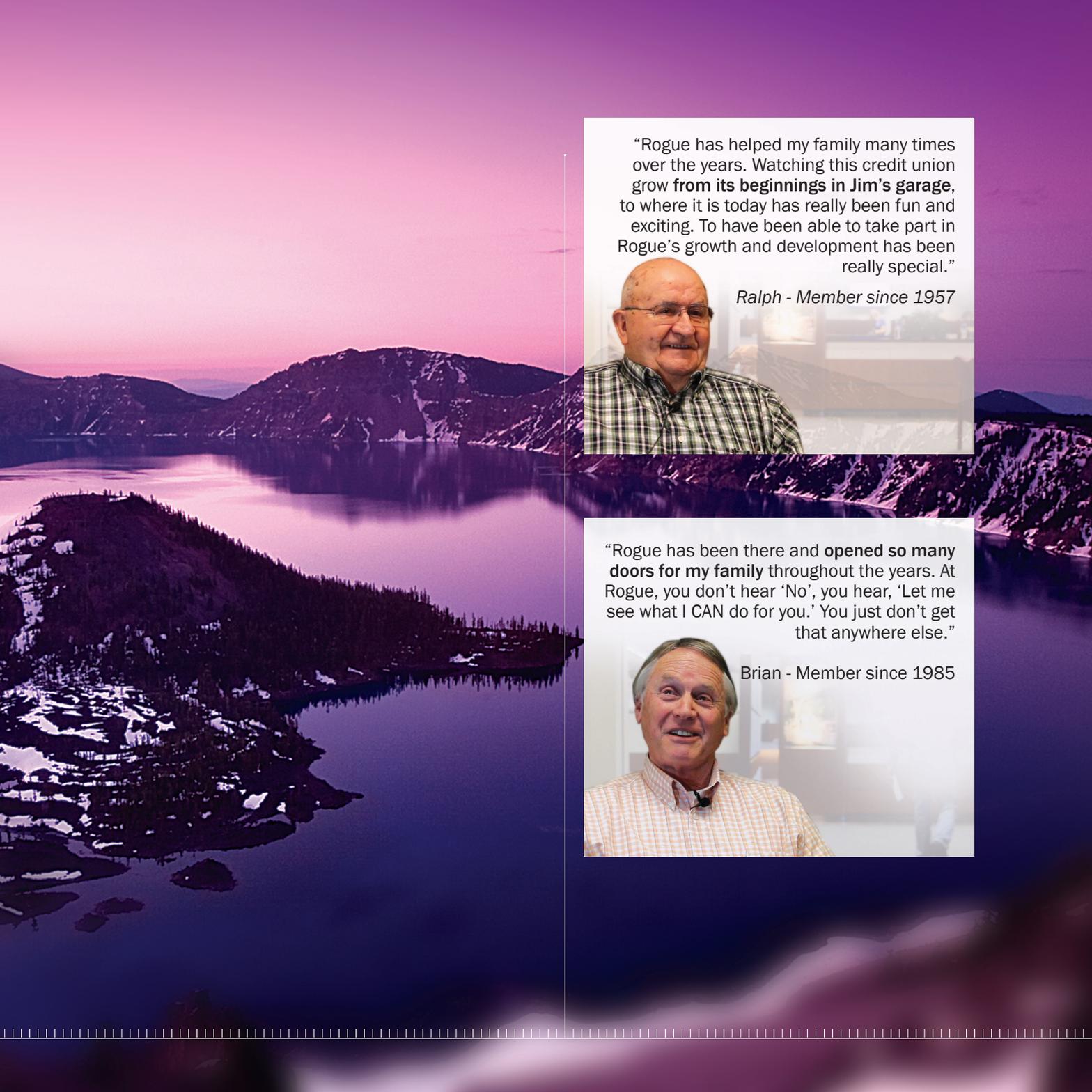
"I AM PROUD TO SHARE WITH YOU THAT ROGUE REMAINS A STRONG, SECURE AND THRIVING CREDIT UNION."

Thinking Forward, we expect to see continued growth, stability and strength for Rogue as we methodically position ourselves for success under our new state charter status in the years to come. We are not necessarily the biggest, but we are one of the safest, offering some of the best rates and the VERY BEST service.

I want to take this time to further explain to you our decision for moving from a federal to a state charter. Our board spent many hours researching, studying and examining all the effects of switching from a federal to a state charter, and ultimately decided that the switch would be best for the future of the credit union and our members. Under a state charter, we are now able to expand our field of membership and our services to better serve Southern Oregon.

Your assets remain insured and protected, just as they were under the federal charter, and your board and staff remain dedicated to the legacy of incredible service and value to our communities.

2014 was an incredible year of successes for Rogue Credit Union, and under the leadership of our President and CEO Gene Pelham, I am proud to share with you that Rogue remains a strong, secure and thriving credit union. I'd like to thank you, the member, because you are the reason we do what we do. You are the owners of this credit union, and we have you to thank for Rogue's continued success and growth. Rogue has been here since 1956, and we are thrilled to continue to provide the best service to you, our members, as we THINK FORWARD to all that we have planned in 2015 and beyond.



“Rogue has helped my family many times over the years. Watching this credit union grow **from its beginnings in Jim’s garage**, to where it is today has really been fun and exciting. To have been able to take part in Rogue’s growth and development has been really special.”

Ralph - Member since 1957



“Rogue has been there and **opened so many doors for my family** throughout the years. At Rogue, you don’t hear ‘No’, you hear, ‘Let me see what I CAN do for you.’ You just don’t get that anywhere else.”

Brian - Member since 1985



Presidents Report



Rogue's progress over the last year has been amazing! Our Rogue family is growing and it is all thanks to you, our loyal members, and to the sound and strategic decisions made by our volunteer board. This growth is a sign of success and is a testament of the health and soundness of our credit union. Since our humble beginnings in Jim and Harriet Johnston's garage, we've come a long way, and that's all thanks to you. Without you, none of us would be here. As many of you already know, I grew up here locally, and even attended school in Eagle Point and Southern Oregon University back when it was Southern Oregon State College. I am proud to call this place home and I am honored to be the CEO of such an incredible credit union that truly values its members and has YOUR best interest at heart. It is my ultimate goal to always do what is best for you, our members, as well as what is best for the future and sustainability of the credit union, enabling us to serve you and our future members the best we possibly can.

Your credit union has been making great strides in the past year in membership growth, asset growth, loan growth and more! When it comes to community involvement, I am proud to say that Rogue stands out above the rest. The hours that Rogue gives back to our members and the community is

incredibly impactful. In 2014, Rogue donated over 10,545 hours to your community, which is more volunteer hours and dollars to local organizations than previously.

“THE CHANGES YOU SEE AROUND ROGUE ARE A SIGN OF A HEALTHY FINANCIAL INSTITUTION...”

Your Board of Directors is made up of members of your local community, and it has methodically made wise decisions over the last few years to ensure that Rogue Credit Union will remain one of the strongest financial institutions serving our area. Due to the strategic planning and sound decisions of our Board of Directors, and since the economy is doing much better, we now have the opportunity to seek deposits as well as loans. Income now will allow us to give back to our members in some exciting ways down the road! While our membership growth along with our building expansion may make us look like a “big” financial institution, we are still one of the smallest institutions serving our area. We are still the same credit union that was founded by a group of teachers right down the street; every decision is made with you in mind. We are dedicated to serving you, our members and our community, as together we Think Forward to 2015 and beyond.



MORE THAN
A **CHECKING**
ACCOUNT,
IT'S ABOUT
BEING A PART
OF **SOMETHING**
BIGGER!

Rogue Credit Union Foundation

THE ROGUE CREDIT UNION FOUNDATION IS AN OUTREACH OF ROGUE CREDIT UNION THAT ALLOWS THE MEMBERS OF ROGUE TO GIVE LOCAL.

Operating through various channels, the Rogue Credit Union Foundation's main goal is to facilitate local giving all across Southern Oregon. The following is a list of organizations you've helped in 2014:

- ▶ Access Food
- ▶ American Music Festival
- ▶ Brookings-Harbor Home Show
- ▶ Central Point D.A.R.E. to Cruise
- ▶ Children's Advocacy Center
- ▶ Eagle Point D-9 Foundation
- ▶ Festival of Trees
- ▶ Gold Beach Snack Pack Program
- ▶ Gold Beach Wine, Art and Music Festival
- ▶ Grants Pass Duck Derby
- ▶ Habitat for Humanity Gift Wrapping
- ▶ High School Athletics
- ▶ Hope Equestrian
- ▶ Klamath Falls Gems
- ▶ Klamath-Lake Counties Food Bank
- ▶ Kruiise of Klamath
- ▶ Medford Jazz Festival
- ▶ Medford Movies in the Park
- ▶ Medford Rogues Baseball Club
- ▶ Medford Youth Baseball
- ▶ Nature's Coastal Holiday at Azalea Park
- ▶ Pear Blossom Festival
- ▶ Port Orford 4th of July Jubilee
- ▶ Rogue Valley Earth Day
- ▶ Santo Community Center
- ▶ Scholarships
- ▶ Shoes for Kids
- ▶ SOU Athletics
- ▶ Sparrow Club
- ▶ Spartans Hockey
- ▶ Stamp Out Hunger Letter Carrier's Food Drive
- ▶ Taste of Klamath
- ▶ Touchdown Club
- ▶ United Way Day of Caring

Rogue Credit Union is YOUR local financial cooperative, and was founded to help people with their financial needs. One of the great things about credit unions is that as a not-for-profit organization, we are able to focus on what benefits people rather than what benefits the pockets of stockholders. It is our great honor to give our members and our communities the support they need to do amazing things!

OUR COMMUNITY

**HOURS
DONATED**
10,545

**DOLLARS
DONATED**
\$150,000
TO LOCAL ORGANIZATIONS IN 2014

130 LOCAL CHARITIES AND GROUPS

CREDIT UNIONS FOR KIDS



KIDS HELPED 20k+

@ **ROGUE REGIONAL
MEDICAL CENTER**

PROMOTIONAL **CAMPAIGNS**
STAFF JEANS DAYS & DONATIONS
OTHER GREAT **DONATIONS**

\$38,504 RAISED
FOR THE KIDS

SUPERVISORY REPORT

THROUGHOUT 2014, THE VOLUNTEER SUPERVISORY COMMITTEE IS PROUD TO REPORT THAT ROGUE CREDIT UNION MET THE NEEDS OF OUR COMMUNITY WHILE MAINTAINING A WELL CAPITALIZED NET WORTH RATIO, AND MEETING THE REGULATORY GUIDELINES LAID FORTH BY THE REGULATORS.

Thank you. It is your loyalty and participation in the credit union that has allowed us to continue to stand strong. It's the Supervisory Committee's responsibility to ensure the safety and soundness of your credit union. In July, the National Credit Union Administration (NCUA) reported back to the credit union any findings, and they were reviewed by your Supervisory Committee. We also conducted two independent audits with CPA Firm Moss Adams in May and August of 2014.

Your Supervisory Committee is in agreement with all the exams, as well as the volunteer Board of Directors, that your credit union is meeting the needs of its members, continues to keep up with the current rules and regulations, and is in conformance, providing a safe and sound local option for your financial needs. In 2015, we will be working with both the NCUA and the State Regulators to continue supervising the safety and soundness of your credit union. Rest assured that your credit union is safe, stable and secure.



Jeff Leever



Steve Curry



Philip Smith



Mike Moran



Leann Prins

Our Checklist:

- ✓ **SERVING THE NEEDS OF OUR COMMUNITY**
- ✓ **NCUA AUDIT**
- ✓ **INDEPENDENT AUDIT**
- ✓ **SAFE & SOUNDNESS**
- ✓ **WELL CAPITALIZED**

ALL GREEN... GOOD TO GO!

OUR BRANCHES

Ashland Branch

415 Lithia Way, Ashland

Bandon Branch

1010 First St., Bandon

Brookings Branch

729 Chetco Ave., Brookings

Central Point Branch

1249-A Plaza Blvd., Central Point

Eagle Point Branch

10572 Hwy 62, Eagle Point

Front Street Drive-Up

102 N. Front St., Medford

Gold Beach Branch

29620 Ellensburg Ave., Gold Beach

East Grants Pass Branch

751 SE 7th St., Grants Pass

West Grants Pass Branch

590 Union Ave., Grants Pass

Harbor Branch

16147 Hwy. 101 South, Harbor

Klamath Falls Branch

3211 Washburn Way, Klamath Falls

North Plaza Branch

1330 Poplar Dr., Medford

Port Orford Branch

1000 Oregon St., Port Orford

South Gateway Branch

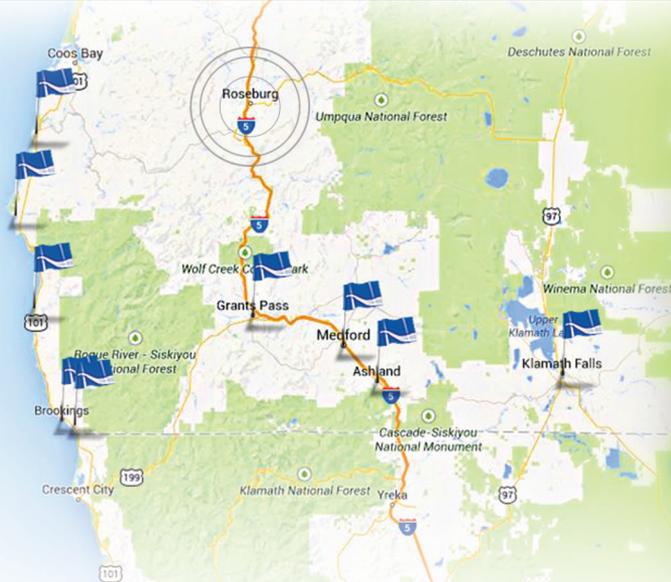
1370 Center Dr., Medford

eBRANCH ONLINE BANKING

ENROLL TODAY

TAKE ADVANTAGE OF "ON THE GO"
MOBILE APPS TOO!

- Apple
- Android
- SMS TEXT



STUDENT BRANCHES

Panther Branch

South Medford High School

Grizzly Branch

Ashland High School

Eagle Branch

Eagle Point High School

Tornado Branch

North Medford High School

Bruin Branch

Brookings - Harbor High School

ROGUE IS COMMITTED TO IMPROVING THE QUALITY OF LIFE FOR OUR MEMBERS THROUGH FINANCIAL EDUCATION.

We strive to educate and provide valuable information that allows members to take control of their finances, empowering them to be financially healthy while promoting the uniqueness of credit union philosophy and values.

FINANCIAL EDUCATION



500
STUDENTS
RECEIVED
IN-PERSON
FINANCIAL
EDUCATION

36
CLASSES
TAUGHT ACROSS
SOUTHERN
OREGON



WORKS
GREAT FOR
ALL AGES

IN-BRANCH
ACTIVITIES
FOR
MONEY
MAMMALS
MEMBERS

VOLUNTEER BOARD OF DIRECTORS

Credit unions are member-owned, not-for-profit financial cooperatives dedicated to improving the lives of their members. In fact, they are the only democratically-controlled financial institutions in the United States. You and other members elect a volunteer Board of Directors to oversee the credit union. Each one of our elected board members are local neighbors who volunteer their time to help make YOUR local credit union the best it can possibly be. Meet YOUR Board of Directors below and see how these folks make living local at Rogue Credit Union an even greater thing!



Jerry Hauck

Board Chair

Retired Coach, Teacher and Administrator with Ashland High School Board Chair.

Member Since 1972

Jerry was elected to the Board in 2003. He has served as the Vice Chair and is currently the Board Chair.



Lynn Calhoun

Vice Chair

Retired Principal for Phoenix Elementary School.

Member Since 1981

Lynn was appointed to the Board in 2006, and elected to the Board in 2007. She previously served as Secretary.



Tim George

Secretary

Chief of Police for Medford Police Department.

Member Since 1978

Tim was elected to the Board in 1992. He has served as Board Chair, and currently serves as Secretary.





Philip Smith

Treasurer

Retired Professor at SOU, Principal at PMCI Inc, and previously worked at Deloitte & Touche Accounting

Member Since 2005

Currently volunteers on the Supervisory Committee of Rogue.



Liz Shelby

Chief of Staff and Director of Government Relations for SOU

Member since 2002

Liz was elected to the Board in 2004. She has served as the Vice Chair and the Secretary of the Board.



Mark Collins

Director of Finance for Asante

Member Since 1976

Mark was appointed to the Board in 2007, and elected to the Board in 2008.



Cheryl McMahan

College Professor and retired Engineer.

Member Since 2013

Cheryl McMahan was appointed to the Board in 2014 and elected in 2015 to represent the South Coast Region.



CONSOLIDATED STATEMENT OF INCOME

For the year ending December 31, 2014

Income	
Loan Income	\$36,473,459
Investment Income	\$3,201,948
Other Income	\$10,109,781
Loan Income from Acquired Loans	\$1,850,971
TOTAL INCOME	\$51,636,159

Expense	
Employee Compensation & Benefits	\$19,854,275
Other Operating Expense	\$13,127,597
TOTAL EXPENSE	\$32,981,872

Non-Operating Income (Expense)	\$56,793
Provision for Loan Losses	\$4,136,177
Cost of Funds	\$2,800,517
NET INCOME (LOSS)	\$11,774,386

CONSOLIDATED STATEMENT OF FINANCIAL CONDITION

as of December 31, 2014

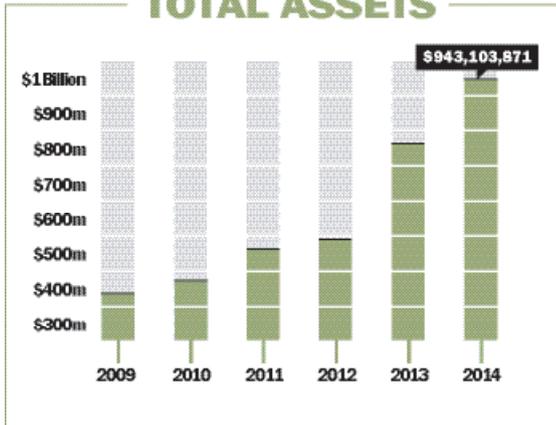
Assets	
Cash & Cash Equivalents	\$20,176,443
Investments	\$105,058,795
Total Loans	\$745,158,353
Allowance for Loan Losses	(\$6,236,169)
Land and Buildings	\$36,232,026
Other Fixed Assets	\$2,443,640
NCUSIF Deposit	\$7,692,940
Other Assets	\$32,577,843
TOTAL ASSETS	\$943,103,871

Liabilities, Shares & Equity	
Total Liabilities	\$22,754,701
Total Shares	\$830,865,150
Total Equity	\$89,484,020
TOTAL LIABILITIES, SHARES & EQUITY	\$943,103,871

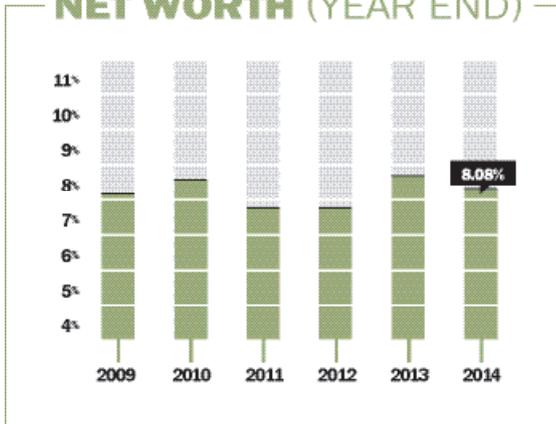
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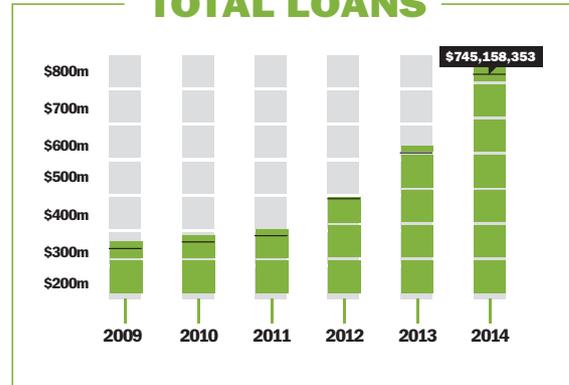
TOTAL ASSETS



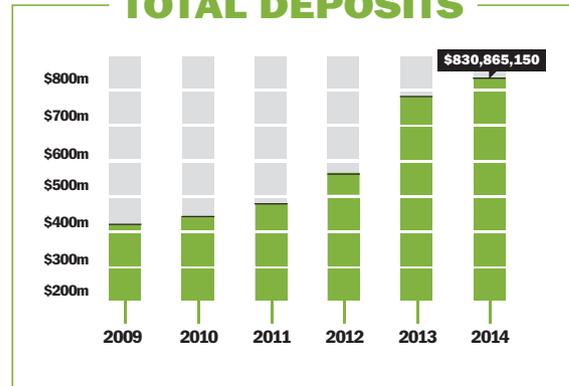
NET WORTH (YEAR END)



TOTAL LOANS



TOTAL DEPOSITS



TOTAL MEMBERS

