



2018 ANNUAL REPORT

Mission Statement: To improve our communities' quality of life by enhancing our members' financial well-being.



REPORT OF THE BOARD & PRESIDENT

Dear Members,

Sooper Credit Union (SCU) is a not-for-profit financial cooperative dedicated to the success of each and every one of you, our members. Unlike financial institutions beholden to outside stockholders, Sooper Credit Union's sole purpose is to provide value to our members and the communities we serve. Every day, earnings are returned to members in the form of lower rates on loans, higher rates on deposits, lower and fewer fees, and ongoing investments in services, technology, and security to bring even more value. Sooper Credit Union is committed to your financial success, and, once again, we are happy to report that 2018 was a year of stable and substantive growth.

As always, the most important measurement of a credit union's strength is the net worth ratio. Sooper Credit Union is well capitalized and achieved a high net worth ratio of 11.06% far exceeding the 7.00% required ratio required by federal and state examiners. In 2018, we achieved another year of record-setting net income at \$3.3 million representing an increase of over 36% from 2017. Low loan rates spurred loan growth by 8.06%, while our assets grew by 7.70% to an impressive \$388 million. This year, deposits grew by 10.44% to fuel total deposits of \$343 million.

Security, convenience, preparation for the future, and sustained support for our local communities were the hallmarks of 2018 at Sooper Credit Union. CardSwap was added to our services offered enabling members to quickly and easily update their payment information should their card be lost, stolen, or compromised. Our new Travel Notification service enables members to have an uninterrupted experience while traveling. Sooper Credit Union began offering members custom, pre-loaded Mastercard® Gift, Travel, and Prepaid Debit Cards issued on the spot in almost any amount and in a variety of designs. Ongoing computer system security enhancements continue to be implemented, including significant improvements in login safety through online banking.

Sooper Credit Union's financial education programming continues to add value to our communities. Budgeting and credit classes and home buying seminars were taught through a variety of community partners. We are proud to announce the addition of Regis University students, staff, faculty, and alumni as a new community segment for Sooper Credit Union and a new audience for our financial education program. The SCU Community Foundation was created in order to support the communities we serve. Remarkably, the Foundation has now distributed scholarships totaling nearly \$100,000 since its foundation in 2009. Other funds donated total \$48,512, while the Foundation's long list of sponsorship contributions now totals \$37,150. In 2018, as with every year since its founding, the SCU Foundation distributed nearly \$10,000 in scholarships to local individuals seeking higher education. Funds donated reached \$2,235 in 2018, while sponsorships toward a variety of local events and organizations reached a total of \$6,625. Through the SCU Community Foundation and our Community Involved Activists (CIA) Committee, Sooper Credit Union supported an impressive total of 55 community events as it continues to embody its mission.

Sooper Credit Union is committed to improving quality of life in the communities we serve. By providing consistently superior service and value to our members, we fulfill our mission and set the table for a bountiful future. Thank you for choosing Sooper Credit Union. We are honored to serve you.

Sincerely,



DONETTA DAVIDSON | BOARD OF DIRECTORS, CHAIR



DAN KESTER | PRESIDENT/CEO

REPORT OF THE SUPERVISORY COMMITTEE

The sole responsibility of the Sooper Credit Union Supervisory Committee is to ensure that the credit union remains financially stable throughout the year. We are charged with the responsibility of assuring members that the credit union is being managed in a reliable manner.

The committee hired an independent CPA firm to perform the annual supervisory audit. CliftonLarsonAllen LLP, a certified public accounting firm, conducted the audit as of September 30, 2018, and noted that the results of Sooper Credit Union's operations and cash flows were in conformity with generally accepted accounting principles. The audit further stated that the financial statements presented fairly, in all material aspects, the financial position of Sooper Credit Union.

Additionally, internal audits were conducted each month during 2018 by Holben Hay Lake Balzer. The National Credit Union Administration in conjunction with the Colorado Division of Financial Services examined Sooper Credit Union as of September 30, 2018. This examination determined that the capital, asset quality, management, earnings, liquidity, and sensitivity to market risk of Sooper Credit Union pose no material risk to members.

The Supervisory Committee would like to take this opportunity to thank the board, management, and staff of Sooper Credit Union for contributing to the stability and soundness of the credit union throughout 2018. In our opinion, the financial statements presented in this annual report accurately represent the financial condition of Sooper Credit Union as of December 31, 2018.



LYNN SIERRAS-KRONE | SUPERVISORY COMMITTEE, CHAIR

FINANCIAL HIGHLIGHTS

	2017	2018	Growth
TOTAL ASSETS	\$360,333,000	\$388,078,000	7.70%
GROSS LOANS	\$279,829,000	\$302,390,000	8.06%
TOTAL SHARES	\$310,980,000	\$343,453,000	10.44%
EQUITY	\$39,161,000	\$41,774,000	6.67%

BOARD OF DIRECTORS

Donetta Davidson
CHAIR

Adam Williamson
VICE-CHAIR

John Bodnar
SECRETARY

Tony Daymil
TREASURER

Sonia Adame
DIRECTOR

Dan Bigandt
DIRECTOR

Bob Bruhn
DIRECTOR

Tony Dilorio
DIRECTOR

Flossie O'Leary
DIRECTOR

Dale Rutt
DIRECTOR EMERITUS

SUPERVISORY COMMITTEE

Lynn Sierras-Krone
CHAIR

Don Blea
VICE-CHAIR

John Bodnar
MEMBER

Preston Branaugh
MEMBER

Rich Seymour
MEMBER



BALANCE SHEET

2017

2018

ASSETS

CASH	\$10,307,000	\$27,873,000
INVESTMENTS	\$50,577,000	\$33,410,000
LOANS TO MEMBERS	\$279,829,000	\$302,390,000
ALLOWANCE FOR LOAN LOSSES	(\$2,855,000)	(\$3,307,000)
FIXED ASSETS (NET)	\$11,280,000	\$9,915,000
OTHER ASSETS	\$11,195,000	\$17,797,000
TOTAL ASSETS	\$360,333,000	\$388,078,000

LIABILITIES & EQUITY

SHARE ACCOUNTS	\$106,655,000	\$106,186,000
CHECKING ACCOUNTS	\$70,339,000	\$66,901,000
MONEY MARKET ACCOUNTS	\$67,732,000	\$63,672,000
MEMBER CERTIFICATES	\$49,168,000	\$73,007,000
BUSINESS ACCOUNTS	\$17,086,000	\$23,464,000
NON-MEMBER DEPOSITS	—	\$10,223,000
OTHER LIABILITIES	\$10,192,000	\$2,851,000
TOTAL LIABILITIES	\$321,172,000	\$346,304,000
REGULAR RESERVES	\$6,234,000	\$6,234,000
UNDIVIDED EARNINGS	\$30,969,000	\$33,388,000
UNREALIZED GAIN/(LOSS) ON AFS SECURITIES	(\$462,000)	(\$1,149,000)
NET INCOME/(LOSS)	\$2,420,000	\$3,301,000
TOTAL EQUITY	\$39,161,000	\$41,774,000
TOTAL LIABILITIES & EQUITY	\$360,333,000	\$388,078,000

INCOME STATEMENT

2017

2018

INCOME

LOAN INTEREST INCOME	\$12,301,000	\$14,369,000
INVESTMENT INCOME	\$1,271,000	\$920,000
OTHER INCOME	\$4,730,000	\$5,252,000
TOTAL INCOME	\$18,302,000	\$20,541,000

EXPENSES

DIVIDENDS & INTEREST PAID	\$1,117,000	\$1,924,000
OPERATING EXPENSES	\$12,911,000	\$13,214,000
PROVISION FOR LOAN LOSSES	\$2,342,000	\$1,738,000
NON OPERATING (INCOME)/LOSSES	(\$488,000)	\$364,000
TOTAL EXPENSES	\$15,882,000	\$17,240,000
NET INCOME	\$2,420,000	\$3,301,000