



2019 ANNUAL REPORT

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



REPORT OF THE BOARD AND 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. Sooper Credit Union's reason for existence is to provide value to our members and the communities in which they live. In this and many other ways we offer communities an exciting alternative to publicly traded banks by reinvesting our earnings back into the lives of those we serve. Every day, our 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. We are proud to report that 2019 was another year of steady growth that positions us well to weather any storm and to fulfill our mission.

The key 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 11.17%. This number eclipses the 2018 ratio of 11.06%, and both numbers far exceed the 7.00% ratio required by federal and state examiners. In 2019, we achieved another year of record-setting net income of over \$3.3 million. Low loan rates stimulated loan growth by 5.18%, while our assets grew by 6.72% to over \$414 million. This year, deposits grew by 6.30% to fuel total deposits to over \$365 million. Total equity for the credit union grew by 10.64% which represents an increase of nearly 4% over 2018.

Technology, convenience, preparation for the future, and support for local communities remain perennial guideposts for Sooper Credit Union. In October, Sooper Credit Union rolled out a new website that included Chat, a new way to communicate with our members, and an upgraded online account opening program. The site features a new financial education section called Empowered Living showcasing educational content, online courses, and calculators to help members reach their financial goals and improve their quality of life. Sooper Credit Union expanded online banking services with our person-to-person (P2P) or "Send Money" feature and online transaction disputes, and added three new products which included College Checking, Business Line of Credit and a Business Credit Card.

The SCU Community Foundation was founded in 2009 in order to support the communities we serve. The Foundation has now distributed scholarships totaling nearly \$110,000 since that time. Other funds donated total nearly \$53,000, while a long list of sponsorship contributions now totals over \$43,000. In 2019, the SCU Community Foundation distributed \$10,000 in scholarships to local individuals seeking higher education. Funds donated reached \$4,475 in 2019, while sponsorships toward a variety of local events and organizations reached a total of \$6,625. In accordance with its mission and in cooperation with the SCU Community Foundation and our Community Involved Activists (CIA) Committee, Sooper Credit Union supported a total of 54 community events in 2019.

Sooper Credit Union is more committed than ever to improving quality of life for our members and our communities. We are honored to serve you.

Sincerely,



DONETTA DAVIDSON | BOARD OF DIRECTORS, CHAIR



DAN KESTER | PRESIDENT/CEO

REPORT OF THE AUDIT COMMITTEE

The sole responsibility of the Sooper Credit Union Audit 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 audit. CliftonLarsonAllen, LLP, a certified public accounting firm, conducted the audit as of September 30, 2019 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 2019 by Holben Hay Lake Balzer. The Colorado Division of Financial Services examined Sooper Credit Union as of June 30, 2019. 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 Audit 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 2019. In our opinion, the financial statements presented in this annual report accurately represent the financial condition of Sooper Credit Union as of June 30, 2019.



LYNN SIERRAS-KRONE | AUDIT COMMITTEE, CHAIR

FINANCIAL HIGHLIGHTS

	2018	2019	Growth
TOTAL ASSETS	\$388,078,000	\$414,153,000	6.72%
GROSS LOANS	\$302,390,000	\$318,042,000	5.18%
TOTAL SHARES	\$343,453,000	\$365,097,000	6.30%
EQUITY	\$41,774,000	\$46,220,000	10.64%

BOARD OF DIRECTORS

Donetta Davidson
CHAIR

Adam Williamson
VICE-CHAIR

John Bodnar
SECRETARY

Sonia Adame
DIRECTOR

Dan Bigandt
DIRECTOR EMERITUS

Don Blea
DIRECTOR

Preston Branaugh
DIRECTOR

Bob Bruhn
DIRECTOR

Roger Campbell
DIRECTOR

Tony Daymil
TREASURER

Lynn Sierras-Krone
DIRECTOR

Flossie O'Leary
DIRECTOR

AUDIT COMMITTEE

Lynn Sierras-Krone
CHAIR

Don Blea
MEMBER

Preston Branaugh
MEMBER

Flossie O'Leary
MEMBER

Adam Williamson
MEMBER



BALANCE SHEET

ASSETS

CASH	\$27,873,000	\$34,230,000
INVESTMENTS	\$33,410,000	\$36,965,000
LOANS TO MEMBERS	\$302,390,000	\$318,042,000
ALLOWANCE FOR LOAN LOSSES	(\$3,307,000)	(\$4,144,000)
FIXED ASSETS (NET)	\$9,915,000	\$9,527,000
OTHER ASSETS	\$17,797,000	\$19,533,000
TOTAL ASSETS	\$388,078,000	\$414,153,000

LIABILITIES AND EQUITY

SHARE ACCOUNTS	\$106,186,000	\$106,381,000
CHECKING ACCOUNTS	\$66,901,000	\$69,065,000
MONEY MARKET ACCOUNTS	\$63,672,000	\$66,854,000
MEMBER CERTIFICATES	\$73,007,000	\$84,473,000
BUSINESS ACCOUNTS	\$23,464,000	\$28,251,000
NON-MEMBER DEPOSITS	\$10,223,000	\$10,073,000
OTHER LIABILITIES	\$2,851,000	\$2,836,000
TOTAL LIABILITIES	\$346,304,000	\$367,933,000
REGULAR RESERVES	\$6,234,000	\$6,234,000
UNDIVIDED EARNINGS	\$33,388,000	\$36,689,000
UNREALIZED GAIN/(LOSS) ON AFS SECURITIES	(\$1,149,000)	(\$42,000)
NET INCOME/(LOSS)	\$3,301,000	\$3,339,000
TOTAL EQUITY	\$41,774,000	\$46,220,000
TOTAL LIABILITIES AND EQUITY	\$388,078,000	\$414,153,000

INCOME STATEMENT

INCOME

LOAN INTEREST INCOME	\$14,369,000	\$15,466,000
INVESTMENT INCOME	\$920,000	\$1,363,000
OTHER INCOME	\$5,252,000	\$4,900,000
TOTAL INCOME	\$20,541,000	\$21,729,000

EXPENSES

DIVIDENDS AND INTEREST PAID	\$1,924,000	\$3,169,000
OPERATING EXPENSES	\$13,214,000	\$14,467,000
PROVISION FOR LOAN LOSSES	\$1,738,000	\$1,633,000
NON OPERATING (INCOME)/LOSSES	\$364,000	(\$879,000)
TOTAL EXPENSES	\$17,240,000	\$18,390,000
NET INCOME	\$3,301,000	\$3,339,000