

2019 Financial Report

SUNSET SCIENCE PARK FEDERAL CREDIT UNION

<u>ASSETS:</u>	<u>2019</u>	<u>2018</u>	<u>Variance</u>
Loans			
Current	\$44,568,438	\$42,695,290	4.39%
Delinquent	\$ 12,125	\$ 29,586	-59.02%
Total Loans	\$44,580,563	\$42,724,876	4.34%
Less: Allowance for loan losses	\$ (150,000)	\$ (150,000)	0.00%
Investments	\$ 7,384,111	\$ 6,998,103	5.52%
NCUA Share Insurance	\$ 452,704	\$ 437,294	3.52%
Land/Building	\$ 541,505	\$ 543,824	-0.43%
Other Fixed Assets	\$ 78,059	\$ 72,753	7.29%
All other Assets	\$ 247,798	\$ 196,446	26.14%
TOTAL ASSETS:	\$53,134,740	\$50,823,296	4.55%
<u>LIABILITIES/EQUITY</u>			
Accounts Payable	\$ 15,693	\$ 32,403	<51.57%>
All other liabilities	\$ 526	\$ 526	0.00%
Shares	\$17,964,114	\$18,624,431	-3.55%
Share Drafts (checking)	\$ 6,667,252	\$ 7,327,929	-9.02%
Certificates	\$15,612,587	\$12,015,055	29.94%
Clubs	\$ 244,532	\$ 803,850	-69.58%
IRA's	\$ 4,751,760	\$ 5,017,104	-5.29%
Reserves	\$ 505,936	\$ 505,936	
Undivided Earnings	\$ 7,372,340	\$ 6,496,062	13.49%
TOTAL LIABILITIES/EQUITY	\$53,134,740	\$50,823,296	4.55%
<u>INCOME</u>			
Income from Loans	\$ 2,047,931	\$ 1,954,981	4.75%
Income from Investments	\$ 181,164	\$ 117,629	54.01%
Income from fees/misc.	\$ 317,182	\$ 315,234	0.62%
TOTAL INCOME	\$ 2,546,277	\$ 2,387,844	6.63%
<u>OPERATING EXPENSES</u>	\$ 1,311,270	\$ 1,246,149	5.23%
Provision for Loans Losses	\$ 21,759	\$ 56,911	-61.77%
DIVIDENDS	\$ 334,863	\$ 220,808	51.65%
INTEREST ON BORROWED MONEY	\$ 1,973	\$ 5,987	-67.05%
NON-OPERATING Inc./Exp: Bldg/Other	\$ (134)	\$ 939	-114.27%
NET INCOME	876,278	858,928	2.02%
Number of members	2,740	2,582	6.12%
Loans made Year to Date	\$18,029,054	\$15,921,265	13.24%
Net Charge offs Year to Date	\$ 21,759	\$ 10,630	104.69%

Supervisory Committee Report

As a benefit to the members of Sunset Credit Union, it is the Supervisory Committee's main responsibility to assure the member's funds and interests are protected. This is done through a variety of internal audits performed by the Supervisory Committee.

These audits are performed on a random basis each month and include audits such as teller & vault cash counts and new & closed account verifications.

On a quarterly basis, the Supervisory Committee works through an internal auditor, Brad Billiet for loan reviews, staff account reviews, financial report audits, verification of bank reconciliation, as well as compliance with applicable regulatory acts. During this last year's reporting period, no noted discrepancies were found as results of audits performed.

The Supervisory Committee also partners with an independent auditing firm that performs an Annual Audit of the Credit Union. Hauser Jones & Sas completed a Member Account verification as of December 31, 2019 and finalized their 2019 Supervisory Committee audit during April 2020. There were no material exceptions noted other than a few suggested operational and procedural enhancements. Otherwise the Credit Union was found to be in compliance with Federal and/or State operating requirements.

The Supervisory Committee would like to thank the membership for their continuing support of their Credit Union.

Supervisory Committee:

Sharon Richardson, Chairperson
Dale Hobbs, Committee Member
Sherri Holstad, Committee Member
Kathy Wells, Board Liaison



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Minutes of the 59th Annual Meeting

The 59th Annual Meeting was called to order on Tuesday, April 23, 2019 at 12:05 pm by Jim Wagemann, Chairman of the Board. Other board members in attendance were Kathy Wells, Carol Janssen, Corky Shaw, Dan Danks and Will Desiervo. Joey Laparne was absent. A quorum was established with at least 90 members present.

Jim drew their attention to the minutes of the 58th Annual Meeting which were included in the handouts. He asked for questions; none were raised, so a motion was called to dispense with the reading of last year's minutes and to accept them as written. The motion was presented, seconded and unanimously carried.

He then introduced his fellow board members and thanked them for their service during 2018.

Jim presented his Chairman's report. Although asset growth slowed down, membership growth was strong at 6.56%. Plus the credit union received the number one Health Score in the state, while sustaining the number one ranking of Return of the Member. Jim reminded the members to take advantage of text alerts for debit and credit cards, to help minimize fraud as well as sign up for Cyberscout to help ward off those with ill intentions. He highlighted the opening of the first in-school/student run branch at Merlo Station High School and the many Financial Reality Fairs that are hosted by the credit union with the mission of providing financial literacy before they enter the world outside of high school.

The Financial Report, included in the handout was presented. Jim directed any questions to Rhonda. Rhonda commented on the continued strength of the credit union which allowed for increasing CD rates and adding a few new benefits, including free checks and Mobile Wallets for Credit Cards. She also reminded the members of the college scholarships and announced the upcoming Social which will be held at the Credit Union on May 30th. She encouraged everyone to invite a non-member friend to meet the staff, board and learn more about the Credit Union. Since there were no questions, a motion was presented to accept the treasurer's report; it was accepted, seconded and unanimously approved.

The Supervisory Committee Members were introduced; Sharon Richardson, Sherri Holstad and Dale Hobbs. Jim asked if there were any questions regarding the Supervisory Committee's report which was in the handout. There were none, so a motion was made to accept the report as presented; it was accepted, seconded and unanimously carried.

Jim introduced the credit union staff and acknowledged those present at the meeting: Rhonda Baggarley, Stephanie Roitstein, and Denise McBride along with the rest of the staff that were either holding down the fort or off for the day: Debbie Osborne, Trish Anderson, Jenny Bevard, Amy Burks, Lindsey Wegener and Michele Carroll. He also introduced the marketing Consultant Terry Taylor and former employee Mike Deskins who served the credit union through November 2018.

At this time, Jim called for any new or unfinished business that the members would like to discuss. None was presented.

Jim then announced the expiring terms of four board members: Joseph LaParne, Kathy Wells, Dan Danks and Himself. All expressed interest in serving another term, however, the floor was opened for any additional nominations. There were no additional nominees, therefore the nominations were closed and a motion was called to accept the above stated nominees to the board. The motion was received, seconded and unanimously carried.

With no further business, the 59th Annual Meeting adjourned at 12:30pm.

Chairman: Jim Wagemann

Secretary: Kathy Wells

Minute Taker: Debbie Osborne/VP of Operations

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Chairman's Report

2019 was another great year for Sunset Credit Union. We stayed true to our mission by providing the best possible financial services available. Our tagline speaks for itself: Financial Solutions for Every Stage of Your Life.

Asset growth was steady at 4.55% with similar loan growth of 4.34%. Membership growth continued strong at 6.12%. The credit union maintained its status amongst some of the highest Health Scores both in Oregon and Nationally.

During 2019, we began offering Text Messaging as a form of communicating with members allowing for a faster reach with critical information & announcements. Plus we added Mobile wallets to the credit cards for a more secure transaction option.

We now have a "Certified Financial Counselor", on staff (Jenny), to help counsel members who may be experiencing financial hardships or need some support in creating or adhering to a budget.

We continue to operate our in-school/student run branch at Merlo Station High School as well as host numerous Financial Reality Fairs at local high schools. We expanded our online Financial Literacy Course, "Banzai" which now has age appropriate curriculum for Jr's and adults as well as teenagers. Rewarding those who complete the course with \$25, has caught the attention of many youth.

The Credit Union also remained active in the community by holding its 3rd annual Cash Mob at two local businesses, Haven Coffee Co & Bandito Taco. They raised funds for the Drive In/Sleep out, supporting Family Promise of Beaverton as well as participated in the Light the Night Walk raising funds and awareness for those suffering from blood cancers.

Our loyal members can't be thanked enough for their dedicated support as we serve their financial needs as well as support the community in which it resides.

Jim Wagemann - Chairman

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Strong.**



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