

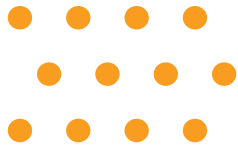


Annual Report



SuperiorChoice
Credit Union

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Meeting Agenda



- Call to Order
- Legality of Meeting
- Minutes of Previous Meeting
- Report to the Membership
- Report of the Credit Committee & Loan Officers
- Report of the Auditor
- Question & Answer Period
- Report of the Nominating Committee
- Old Business
- New Business
- Adjournment

Annual Membership Report 2022

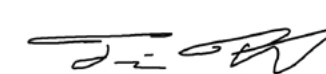
2021 was a year of positive change and forward momentum for the Credit Union beginning with bringing on a new Chief Executive Officer, Tim Foster. Foster built out a larger Executive Leadership Team including Shane Asbel as Chief Operating Officer, Kelli Koehler as Chief Marketing Officer, and Scott Maki as Chief People Officer with Ben Altonen remaining as Chief Financial Officer. Together, the revamped administration began the process of dissecting, analyzing, and improving upon every aspect of SCCU. We are happy to report significant favorable changes – including eliminating fees and increasing security measures for our members, improving employee well-being through benefit packages, hours, and pay; and restructuring of departments, policies, and procedures that led to overall growth for the Credit Union.

We started the year with assets of \$549,110,087 and ended the year with assets of \$601,144,173. Regulatory net worth of 10.63% was achieved, which is favorable to the benchmark of 7.00% and deemed to be well-capitalized by our regulatory bodies, the National Credit Union Administration and the Wisconsin Department of Financial Institutions, Office of Credit Unions.

Superior Choice Credit Union is well poised for growth. In 2021, we diversified our lending portfolio and experienced exponential growth in both consumer lending and within the indirect channel. Membership grew for the first time in 3 years, up 1,306 members from the previous year. A strategic growth plan was put into place for expansion into new markets including the purchase and leasing of space, further broadening the communities we impact.

In December 2021 we relocated our Bruce branch to Ladysmith, widening our reach with the intent of capturing new members and creating greater access for the surrounding communities. The opening of the Ladysmith branch also debuted a new brand look and feel accompanied by a refreshed mission, vision, and the introduction of company core values.

SCCU continues to make significant contributions to our communities, making financial donations to non-profit organizations and local neighborhood initiatives. We are committed to being a positive and empowering financial influence on our members, our employees, and the communities we serve.



TIM FOSTER
President and
Chief Executive Officer



MARK CASPER
Chairperson

We are grateful for a tremendous 2021 and are excited to continue our forward momentum into 2022 and beyond.

Celebrating 90 years!



Let's make
the next 90
even better.



Comparative Income Statement

As of December 31,
2021 and 2020

	2021	2020	Variance
Overnight Investments	\$149,141	\$231,353	\$(82,212)
Securities	449,880	462,886	(13,006)
Loans	16,896,380	17,907,610	(1,011,230)
Total Interest Income	17,495,401	18,601,849	(1,106,448)
Total Loan Fees	548,120	366,621	181,499
Asset Income	\$18,043,521	\$18,968,470	\$(924,949)
Interest Expense			
Interest Bearing Shares	\$2,252,883	\$2,771,785	\$(518,902)
Borrowed Funds	1,045,833	1,058,980	(13,147)
Total Interest Expense	3,298,716	3,830,765	(532,049)
Interest Margin	14,744,805	15,137,705	(392,900)
Total Loan Loss Provision	405,674	325,224	80,450
Net Interest Income	\$14,339,131	\$14,812,481	\$(473,350)
Service Charges	\$774,668	\$729,412	\$45,256
Fee Income	1,866,100	1,566,201	299,899
Extraordinary Income	16,868	108,195	(91,327)
Other Income	2,737,630	2,357,839	379,791
Total Non-Interest Income	\$5,395,266	\$4,761,647	\$633,619
Employee & Benefits	\$8,834,588	\$7,602,025	\$1,232,563
Travel & Conference	142,732	147,130	(4,398)
Occupancy	1,372,108	1,093,350	278,758
Marketing	671,416	696,105	(24,689)
Operations	3,912,521	2,984,251	928,270
Loan Servicing	1,743,641	567,673	1,175,968
Professional Services	793,124	586,513	206,611
Other Expense	268,325	805,364	(537,039)
Total Non-Interest Expense	\$17,738,455	\$14,482,411	\$3,256,044
Operating Income	\$1,995,942	\$5,091,717	\$(3,095,775)
Net Income	\$1,995,942	\$5,091,717	\$(3,095,775)

Unaudited. Dollars in Thousands.

Comparative Balance Sheet

As of December 31,
2021 and 2020

	2021	2020	Variance
ASSETS			
Cash & Due	\$5,195	\$5,448	\$(253)
Overnight Investment	104,844	99,831	5,013
Securities	31,002	30,357	645
Loans	434,367	389,559	44,808
Loan Loss Reserve	(2,311)	(2,656)	345
Fixed Assets	10,172	9,564	608
Intangibles	4,674	4,674	-
OREO	-	-	-
Other Assets	13,202	12,334	868
Total Assets	\$601,144	\$549,110	\$52,034
LIABILITIES			
Share Drafts	\$42,795	\$38,644	\$4,151
Interest Bearing Shares	453,975	406,207	47,768
Total Shares	496,770	444,851	51,919
Borrowed Funds	36,000	38,000	(2,000)
Other Liabilities	5,779	6,332	(553)
Total Liabilities	\$538,551	\$489,184	\$49,367
CAPITAL			
Regular Reserve	\$42,080	\$38,438	\$3,642
Undivided Earnings	21,820	23,466	(1,646)
Net Unrealized AFS G/L	13	497	(484)
Other Capital	(1,321)	(2,475)	1,154
Total Capital	\$62,593	\$59,927	\$2,667
Total Liabilities & Capital	\$601,144	\$549,110	\$52,034

Unaudited. Dollars in Thousands.

Auditors Report



The last independent audit was performed by Lillie & Company, LLC in fiscal years ending December 31, 2021. The auditors rendered an unqualified opinion that the financial statements of Superior Choice Credit Union were fairly stated in all material respects in relation to the financial statements taken as a whole.

In connection with their audit procedures, the auditors routinely comment on any significant findings requiring corrective action by management. We are pleased to report there were no significant findings that required corrective action.

Your Board of Directors has retained Lillie & Company, LLC to complete an opinion audit for 2022.



SuperiorChoice
Credit Union

Board of Directors

Mark Casper • Chairperson
William Anderson • Vice-Chairperson
James Larson • Secretary
Paul Gilbertson • Treasurer
Charlie Glazman • Board Member
Greg Running • Board Member
Pamela Tafelski • Board Member



Executive Leadership

Tim Foster • Chief Executive Officer
Ben Altonen • Chief Financial Officer
Shane Asbel • Chief Operating Officer
Kelli Koehler • Chief Marketing Officer



SuperiorChoice
Credit Union

Superior Choice Credit Union
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