

# BREAKING GROUND. BRIGHTER FUTURE.

2019 ANNUAL IMPACT REPORT

COMMUNITY 

  
**blue**  
FEDERAL CREDIT UNION

World Headquarter Groundbreaking Ceremony - May 2019



# BLUE HORIZONS



Blue's mindset is simple - people over profits. We show this every day at all our branches and it is demonstrated by Blue's 272 employees. There is no event or circumstance where our members cannot count on us to be with them every step of the way. Change seems to be happening faster and faster, and 2019 was no different. Through it all, your Board of Directors and Leadership teams are facing every single change with Blue's signature boundless optimism, over the top service, unwavering confidence, and uniquely us attitude.

At the end of 2019, Blue served 89,960 members worldwide and surpassed \$1.1 billion in assets less than a year after crossing the billion-dollar mark, ending the year

with total assets of \$1,152,617,726. It was not only the rise in total membership and assets, though, that made 2019 a marquee year. It was the year that marked the start of the horizon for a new era at Blue with the groundbreaking of Blue World Headquarters in Cheyenne, Wyoming.

Celebrated on a chilly May weekend amidst daytime fireworks and blue bombs, community members and staff joined in celebrating the start of Blue's next chapter right where Blue started 69 years ago.

Two thousand nineteen also marked the grand opening of our 14th branch in Lafayette, Colorado, which serves Boulder County residents. Keeping along the theme of growth, Blue initiated the acquisition of two Liberty

Savings Bank branches in Denver and Granby, Colorado.

In addition to our growth, we continued our substantial investment in member-facing technology. Blue continued the roll out of CO-OP Shared Branch Express ATMs and Interactive Teller Machines (ITMs) to more of our locations. These machines are designed to serve our members and non-members alike quickly. ITMs are capable of handling any transaction a member would typically come to the drive-thru to perform, such as check and cash deposits, cash withdrawals, check cashing, and loan payments, to name a few.

Blue's DNA is made up of both solid business acumen and a heart



World Headquarters Groundbreaking - May 2019

# CELEBRATING BLUE'S NEXT CHAPTER



for our communities. We strive to spend our energy doing meaningful things that make a difference in the places we call home. We are always on the lookout for causes to support both directly and through our Blue Foundation as well as unique sponsorships that expand awareness of Blue Federal Credit Union. As such, 2019 marked the biggest single year for community involvement and investment in Blue's history. Blue inked a long-term sponsor contract with the Budweiser Events Center in northern Colorado and became a Titanium, presenting sponsor at Cheyenne Frontier Days in Cheyenne. Both sponsorships put Blue on center stage in front of hundreds of thousands of people in two of our most promising communities. We look forward to reaching and helping more people in 2020.

## BLUE POWER

In a continuously changing rate environment, the credit union must find a way to remain competitive. Blue's unwavering stance in the marketplace has allowed us to continue offering the best rates to members seeking ways to make their money work harder. For the second year in a row, profitability, as measured by net income, ended the year more than \$2 million ahead of budget, growing to \$11.3 million from \$9.4 million in 2018. Return on average assets, a measure of how well the credit union is using its assets to generate income, ended the

year at 1.02% against a peer average of 0.89%.

Throughout 2019, the strong standing of the credit union showed we could stay alert to shifting rates and still be a market-leader in returning dividends to our members. With \$11,465,234 in dividends paid, dividends grew by more than 40% over 2018, serving as a hallmark of Blue's unwavering support for its members around the world

## WE SOAR TOGETHER

In 2019 Blue crossed significant milestones in its community involvement. Throughout the year, Blue employees and affiliates volunteered a cumulative 9,151 working hours to projects in every community we serve. From food drives to landscaping, we served charities and non-profits from a variety of industries and needs. It is all about doing good and changing lives.

## BLUE SKIES AHEAD

As we enter a new decade, there are things that will most certainly change. We will continue to create more opportunities for our members to grow their financial wellbeing. We will continue to bring innovations to you that make banking frictionless and secure. We will continue to give back to each and every one of our communities in new and surprising ways. We will continue to grow responsibly.

Of all the changes happening and bound to happen, some things will never change. We will not pull back on Blue's unwavering attention to you, the member. We will not dampen our expectations that there are blue skies ahead. We often say that we are with you for life, and that will not change in 2020 and beyond.

On behalf of the Board of Directors and each Blue employee, thank you for being a member of Blue!



*Stephanie Teubner*

**Stephanie Teubner**  
President & Chief  
Executive Officer



*Tom Reiman*

**Tom Reiman**  
Chairman,  
Blue Federal Credit  
Union Board of Directors





Broomfield Habitat for Humanity - October 2019

**\$162,665**

IN DONATIONS TO  
182 ORGANIZATIONS

**9,151**

VOLUNTEER HOURS LOGGED  
BY OUR EMPLOYEES



Packages for Patriots - December 2019



WOW! Children's Museum Do Good check presentation - October 2019



# SUPERVISORY COMMITTEE REPORT



## TRUE BLUE

Your Supervisory Committee — appointed by Blue Federal Credit Union's Board of Directors — is responsible for providing assurance that the operations of the credit union are carried out in accordance with the Act and the regulations of the National Credit Union Administration (NCUA) safely and soundly.

The Supervisory Committee meets regularly with Blue's internal auditor, Director of Risk, and our external auditors to monitor and evaluate internal controls that help ensure your assets are safeguarded and Blue is operating effectively and efficiently. This is in accordance with the Federal Credit Union Act.

Based on the activity of the external and internal auditor and examiners, as well as our observations, we can report that Blue continues to maintain a high level of financial safety and soundness. Blue continues to be a leader in the financial services it provides to members and an asset to the global credit union community.

The committee engaged the services of certified public accounting firm CliftonLarsonAllen LLP to audit the financial statements of the credit union. As noted in this report, CliftonLarsonAllen LLP issued an opinion that the credit union's financial statements as of, and for the year ended, December 31, 2019, are presented fairly in all material respects.

All of us on the Supervisory Committee are proud to volunteer our time to serve the members of Blue as liaisons between you and your credit union. If ever you need assistance or experience difficulties that cannot be resolved through normal channels, we encourage you to contact us. We are always available to answer questions or review comments regarding credit union activities. The Supervisory Committee is here for your benefit. Correspondence can be addressed to:

Supervisory Committee  
P.O. Box 3200  
Cheyenne, WY 82003-3200

**Milton B. Uribe**  
Chairperson, Supervisory Committee



# 2019 FINANCIALS



Expanding on a track record of financial performance and sound fiscal management, Blue Federal Credit Union once again exceeded expectations in 2019. In May, Blue surpassed \$1.1 billion in assets less than a year after crossing the billion-dollar mark, ending the year with total assets of \$1,152,617,726. This growth also laid the groundwork for key investments for the future, including a new headquarters facility that will serve as a foundation to serving members for many years to come.

For the second year in a row, profitability, as measured by net income, ended the year more than \$2 million ahead of budget, growing to \$11.3 million from \$9.4 million in 2018. Return on average assets, a measure of how well the credit union is using its assets to generate income, ended the year at 1.02% against a peer average of 0.89%. This strong profitability also expanded Blue's capital ratio to 10.12%, the first time that ratio has ended the year above 10% since 2008.

Through sound financial planning and execution, 2019 further solidified Blue Federal Credit Union's reputation as a faithful steward of its financial resources. The strong foundation provided by this performance has allowed Blue to continue serving its members with unprecedented support throughout the COVID-19 pandemic in 2020.

## STATEMENT OF FINANCIAL CONDITION

for the years ended on December 31

Assets	2019	2018
Cash & Cash Equivalents	62,885,841	43,716,152
Investments	10,839,465	22,549,115
Loans, Net	975,097,561	903,538,127
Premises & Equipment, Net	29,676,041	24,801,429
NCUSIF Deposit	8,460,219	8,009,446
Other Assets	65,658,599	57,402,359
<b>TOTAL ASSETS</b>	<b>\$1,152,617,726</b>	<b>\$1,060,016,628</b>
<b>Liabilities &amp; Members' Equity</b>		
Members' Share & Savings Accounts	1,001,767,984	876,087,700
Other Liabilities	34,220,933	78,790,186
Members' Equity	116,628,809	105,138,742
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<b>\$1,152,617,726</b>	<b>\$1,060,016,628</b>

## STATEMENT OF INCOME

for the years ended on December 31

Income	2019	2018
Loan Income	48,236,241	40,908,307
Investment Income	589,771	886,371
Other Income	15,776,164	14,115,972
<b>TOTAL INCOME</b>	<b>\$64,602,176</b>	<b>\$55,910,650</b>
<b>Expense</b>		
Employee Compensation & Benefits	18,583,000	16,867,980
Other Operating Expense	17,537,266	16,254,583
<b>TOTAL EXPENSE</b>	<b>\$36,120,266</b>	<b>\$33,122,563</b>
<b>Non-Operating Expense (Income)</b>		
Provision for Loan Loss	4,848,256	4,218,219
Cost of Funds	12,310,439	9,090,339
<b>TOTAL NON-OPERATING EXPENSE (Income)</b>	<b>\$17,158,695</b>	<b>13,308,558</b>
<b>NET INCOME (LOSS)</b>	<b>\$11,323,214</b>	<b>\$9,479,530</b>

Insured by NCUA



FOR YOU. FOR LIFE.

