

Annual Report



2018





HOME LOANS

Being Home

Chelsea Colón's homebuyer story began years before she enrolled in the First Home Club at Cooperative Federal. She was looking for a job and was struck with curiosity about the world of community finance.

"I had never heard of a community development credit union," Chelsea said. "And after I read the mission statement I knew it was where I had to be."

Chelsea joined the team of workers powering Coop Fed, putting our mission into action and helping dozens of members become homeowners. Two years later she enrolled in the First Home Club.

When Chelsea closed on her house, she still had a rental lease and used the time between closing and moving in to paint and furnish her new place. Then, finally, it was time to move.

"It was a little bit surreal," Chelsea said. "It really didn't hit me I was staying somewhere that was mine. It took until Christmas because I was decorating and kind of looked around and was like, 'I'm home.' No more paying rent to someone else. This is mine. I got this for myself."



42

**HOME LOANS
OPENED IN 2018**
\$3,266,237

60% loaned to first-time
homebuyers

\$132,500 granted for
down payment assistance



PERSONAL FINANCES

Onward & Upward

Mark Manson wanted to start over. He had experienced issues at other banks and knew he needed a chance to do it again, but better. One of his friends told him about Cooperative Federal and Mark decided to join too. That was about seven years ago. He's been a member ever since.

"Chris, the loan officer, helped get my credit back in order. He gave me pointers on how to rebuild," Mark said. "I started with a \$500 student loan. Then, a little more. He helped me refocus and get rid of debt and make better financial decisions."

The most important thing to Mark was cleaning up his credit. "My mom told me years ago that as a Black/African American man the only thing you have is your credit. As I got older I understood what she meant. I had no specific goal when I started rebuilding my credit – like to buy a house or something like that – my goal was to get my credit in order."

Mark did just that, improving his credit by 100 points. But he didn't stop there: next, he set his sights on homeownership. He joined Coop Fed's First Home Club in early 2018, and by the next New Year, he was a homeowner.



448

**PERSONAL LOANS
& CREDIT LINES
OPENED IN 2018**
\$2,254,559

45% loaned to members
with low or no credit

720 members used
personal credit lines



SMALL BUSINESS

Embrace Who You Are

Tboy Shique was founded on the vision that you can and should embrace who you are, especially when embracing who you are makes you feel comfortable. Started in 2017, the small business sells a perfect blend of “feminine masculine chic.” Lanel, who co-owns Tboy with Clarissa, also describes the Tboy brand as “clothing for the everyday female who likes to be relaxed, comfortable, and cute. If I don’t feel comfortable, I don’t feel cute.”

Lanel’s vision started to materialize when she enrolled in Up Start, the entrepreneurship program run by CenterState CEO. “It was a big learning experience ... basically all of the things you have to deal with when you start a business.” Then someone introduced Lanel to Cooperative Federal. The credit union helped her with a start-up micro loan and has since become her primary financial institution. “It’s been great,” Lanel said about working with Coop Fed. “For them to offer me what they offered me when I started, I was over the moon. I didn’t expect that much.”

Lanel has advice for others who want to start a business. “Have patience, read everything, ask questions, shadow people, learn as much as you can,” she said. “If you’re consistent and flexible – because things change – and patient with yourself, patient with the business, then that’s where success comes in.”



21

**SMALL & MICRO
BUSINESS LOANS
OPENED IN 2018
\$521,900**

43% loaned to minority/
woman owned
businesses

40 jobs supported



FINANCIAL CAPABILITY

Starting Off Right

“I want to learn to save money to help control my spending,” said Lal Hruat, a senior at the Public Service Leadership Academy - Fowler High School. “Before I was spending my money lavishly.”

Now Lal is getting the tools and support he needs through Falcons’ Trust, one of Cooperative Federal’s in-school savings branches. This hands-on program puts students in charge of their own financial education, in a safe environment. Guided by experts, students can build skills for critical thinking about personal goals that will empower them to make savvy decisions.

Lal’s first goal is to save up for a Go Pro camera to produce videos for his YouTube channel. “I make videos on YouTube to show what America is like to my friends back home,” said Lal, whose family came to the US from India just a few years ago. “I like to do vlogging, taking videos about my life, singing funny songs, and parodies in my language.”

After high school Lal also wants to travel. He isn’t sure what his future goals are but thinks they may include videography. Whatever his future brings, his new savings habit will surely help him along the way.



927

**EDUCATION &
COUNSELING
CLIENTS IN 2018**

Adults + Youth + Businesses

57 youth credit union
accounts opened

91 matched savings
accounts opened

Message from the Board of Directors

Cooperative Federal long ago adopted the motto “We build the road as we travel,” an adage popularized by José Arizmendiarrrieta, founder of the Mondragon Cooperative Society in Spain’s Basque Country. For our credit union, as for so many other cooperatives, those words are a reflection of our mission for financial, environmental, and social justice.

As we close 2018 and embark upon another year, we continue to walk that winding road. This chapter of our history includes some big changes to Coop Fed’s team: We remember Greg Knipe, our Lending Manager for nearly two decades, who passed away last summer. We wish a joyful retirement to Susan Hamilton, our long-time Mortgage Officer and Board alum, and to Jim Doyle, our dedicated Bookkeeping & Operations Specialist. And most of all, we lean in to succession planning for our founding CEO, Ron Ehrenreich, whose 37 years of leadership have been the bedrock of the path that we have built here in Syracuse. As we prepare to welcome a new CEO within the next year, we are immensely grateful for all that Ron has done – and all that he will continue to do, as he transitions into a new role with Coop Fed. His vision, tenacity, and heartfelt commitment to solidarity have been a priceless gift to our credit union and our entire community.

We welcome you to continue traveling this road with us through your participation in our mission-driven approach to community finance. We encourage you to contact the Board directly at board@coopfed.org.

- Frank Cetera, Board President

View the complete Board Report and more Governance Reports at www.CoopFed.org/AnnualReport2018.

Thank You to Our Supporters!

ACMG FCU • Allyn Foundation • Alternatives FCU • Assets for Independence • BALANCE / US HUD • CA\$H Coalition CNY • CenterState CEO Economic Inclusion • CDFI Fund • CNY Community Foundation • Countryside FCU • Empire State Development • Empower FCU • Enterprise Car Sales • Federal Home Loan Bank NY • Genesee Co-op FCU • Gifford Foundation • Home Headquarters • Inclusiv (National Federation of CDCUs) • LeMoyné College • NCUA Office of Small CU Initiatives • NeighborWorks • NY Credit Union Assn. • Onondaga County / Alliance for Economic Inclusion • Onondaga County Development Corp. • Onondaga SBDC • Plymouth Congregational Church • REACH CNY • Refugee and Immigrant Self Empowerment / US ORR • ROC USA • Syracuse City School District • Syracuse Dept. of Neighborhood & Bus. Dev. / US CDBG • Syracuse Economic Development Corp. • Syracuse Housing Authority • Syracuse Community Connections • Serve New York / The Service Collaborative of Western NY • *and all of our dedicated members*

Message from the Treasurer

Cooperative Federal's origin story began in an average Syracuse living room. It was 1981. A group of local organizers had been appealing to banks in our region to divest from South Africa's racist Apartheid regime, and not one would answer our call. Frustrated by a cold and unethical financial system, we set out to create something new: a credit union where people of all races, classes, sexes, and identities could not only get the services they needed, but could share in shaping, owning, and governing that credit union. Values of social justice and mutual aid would guide us.

As I sat in that living room, I never imagined how far we would go. Coop Fed manages \$26.5 million in assets, serves 4,779 member households, businesses & organizations, and has deployed \$150 million in loans. By and large, we do this work in neighborhoods that banks have abandoned.

Our calling is not simple, and it surely isn't easy. Risks are high, and mistakes are costly. In 2018 we discovered deficiencies in loan administration that led to unusual losses, interrupting our strong record of successful delinquency management. We detected this problem early in 2018 and have been working since then to right the ship, with a restructured loan department, stronger procedures, and thorough quality assurance. In 2019 we will restore profitability, enhance our capital reserves, and leverage an influx of grant resources to accelerate our community impact, especially in terms of business lending. We draw strength from our members, our partners, and our unwavering belief that together, we are powerful. Join us.

- Ron Ehrenreich, Treasurer & CEO

| Income Statement | 12/31/2018 | 12/31/2017 |
|-------------------------|---------------------|--------------------|
| Interest Income | \$1,271,871 | \$1,197,494 |
| Provision for Loan Loss | \$ (440,571) | \$ (161,269) |
| Grants & Contracts | \$ 220,398 | \$ 229,241 |
| Other Income | \$ 521,785 | \$ 525,923 |
| TOTAL REVENUES | \$1,573,483 | \$1,791,389 |
| Interest Expense | \$ 92,837 | \$ 93,492 |
| Operating Expense | \$1,716,416 | \$1,784,428 |
| TOTAL EXPENSES | \$1,809,253 | \$1,877,920 |
| Net Income | \$ (235,770) | \$ (86,531) |

| Balance Sheet | 12/31/2018 | 12/31/2017 |
|--|----------------------|----------------------|
| Loans | \$ 21,681,219 | \$ 21,768,343 |
| Investments & NCUSIF | \$ 350,335 | \$ 508,958 |
| Cash | \$ 3,135,706 | \$ 2,691,140 |
| Other Assets | \$ 1,332,026 | \$ 1,534,806 |
| TOTAL ASSETS | \$ 26,499,286 | \$ 26,503,247 |
| Liabilities | \$ 1,340,874 | \$ 974,705 |
| Member Shares | \$ 19,828,358 | \$ 18,447,815 |
| Nonmember Deposits | \$ 3,601,012 | \$ 5,136,644 |
| Total Liabilities & Shares | \$ 24,770,244 | \$ 24,559,164 |
| Secondary Capital | \$ 997,303 | \$ 976,575 |
| Equity | \$ 731,739 | \$ 967,508 |
| Total Net Worth | \$ 1,729,042 | \$ 1,944,083 |
| TOTAL LIAB, SHARES & EQUITY | \$ 26,499,286 | \$ 26,503,247 |

KEY RATIOS

Net Worth
6.52%

Return on Assets
-0.89%

Loan
Delinquency
7.95%

Net Charge
Offs
1.12%

Loans to
Assets
81.82%

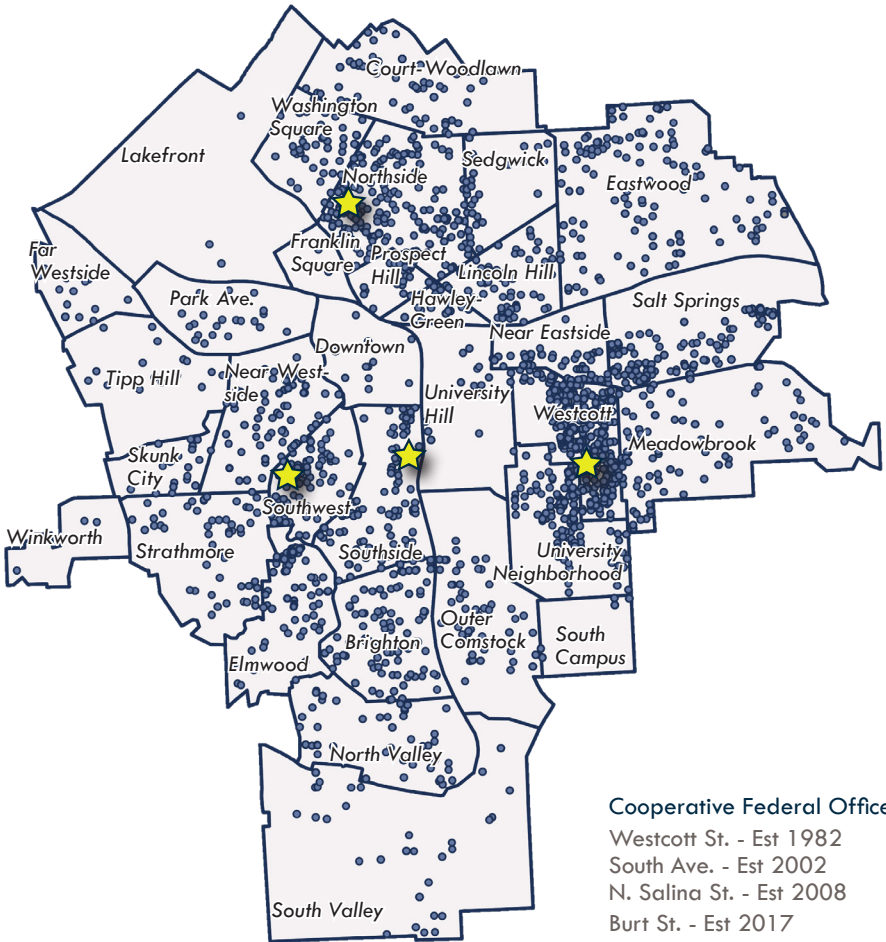
Loans to
Member Shares
109%

Membership
Growth
5.15%

Everyone's Credit Union

Everyone deserves to feel in control of their money. You need more than just a bank – you need a partner you can trust. That's why Cooperative Federal offers personalized guidance and banking services to help our members thrive.

Cooperative Federal was founded on the east side, but today our members come from every neighborhood and all walks of life. Our membership is more economically, racially, and ethnically diverse than the city overall – and we know that together we are stronger.



Federally insured by NCUA



Cooperative Federal

