



**Office of the Minnesota Secretary of State**  
**Minnesota Public Benefit Corporation / Annual Benefit Report**  
*Minnesota Statutes, Chapter 304A*



Read the instructions before completing this form

Must be filed by March 31

Filing Fee: \$55 for expedited service in-person and online filings, \$35 if submitted by mail

The Annual Benefit Report covers the 12 month period ending on December 31 of the previous year.

Notice: Failure to file this form by March 31 of this year will result in the revocation of the corporation's public benefit status without further notice from the Secretary of State, pursuant to Minnesota Statutes, Section 304A.301

1. Corporate Name: (Required)

2. The public benefit corporation's board of directors has reviewed and approved this report.

3. In the field below, enter the information required by section 304A. 201 subd. 2 or 3 for the period covered by this report, (see instructions for further information): Note: Use additional sheets if needed. (Required)

I, the undersigned, certify that the Board of Directors of this public benefit corporation has: (i) chosen the third-party standard B Impact Assessment (ii) determined that the organization that promulgated the third-party standard is independent; and (iii) approved this report as well as the report attached hereto and incorporated by reference herein. See attached.

4. I, the undersigned, certify that I am the chief executive officer of this public benefit corporation. I further certify that I have signed this document no more than 30 days before the document is delivered to the secretary of state for filing, and that this document is current when signed. I further certify that I have completed all required fields, and that the information in this document is true and correct and in compliance with the applicable chapter of Minnesota Statutes. I understand that by signing this document I am subject to the penalties of perjury as set forth in Section 609.48 as if I had signed this document under oath.

Signature of Public Benefit Corporation's Chief Executive Officer

Date (Must be dated within 30 days before the report is delivered to the Secretary of State for Filing)

**Email Address for Official Notices**

Enter an email address to which the Secretary of State can forward official notices required by law and other notices:

Check here to have your email address excluded from requests for bulk data, to the extent allowed by Minnesota law.

**List a name and daytime phone number of a person who can be contacted about this form:**

<input type="text" value="Callie Koeniger"/>	<input type="text" value="651-259-2271"/>
Contact Name	Phone Number

Entities that own, lease, or have any financial interest in agricultural land or land capable of being farmed must register with the MN Dept. of Agriculture's Corporate Farm Program.

Does this entity own, lease, or have any financial interest in agricultural land or land capable of being farmed?

Yes  No

Print

Reset



# University Financial Corp, GBC

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## 2016 BENEFIT REPORT

SELF-REPORTED & UNVERIFIED\*

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Created from the 2016 B Impact Assessment on the version designed for:  
Service companies, 50-249 employees, Developed Markets - U.S.

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SELF-REPORTED  
& UNVERIFIED\*

Thank you for your interest in University Financial Corp, GBC's 2016 Benefit Report.

University Financial Corp, GBC is a legally-incorporated benefit corporation in the state of Minnesota<sup>1</sup>. A benefit corporation is a corporation that has voluntarily met the highest standards of corporate purpose, accountability, and transparency. Benefit corporations have a corporate purpose to create a material positive impact on society and the environment, have expanded the fiduciary duty of their directors to include consideration of stakeholder interests, and are required to report on their overall social and environmental performance.

**In this report you will find:**

- **B Impact Report:** a quantitative summary of this company's overall social and environmental performance assessed against the third party standard B Impact Assessment (BIA) in relation to each key stakeholder group and as compared to certain benchmarks
- **Benefit Report Narrative:** a set of narrative responses to questions required by the benefit corporation statute, including a discussion of why this benefit corporation chose the BIA as their reporting and impact management tool

If you have any questions about benefit reports or benefit corporations generally, please visit [benefitcorp.net](http://benefitcorp.net) or email [thelab@bcorporation.net](mailto:thelab@bcorporation.net).

If you have any questions about University Financial Corp, GBC and this report, please contact Callie Koeniger at [callie.koeniger@sunrisebanks.com](mailto:callie.koeniger@sunrisebanks.com).

<sup>1</sup>Benefit corporations (or benefit LLCs) are different from Certified B Corporations (aka B Corps). The most important difference from the perspective of a reader of this report is that benefit corporations, unlike Certified B Corporations, are not required to have their performance validated or certified by a third party.

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# University Financial Corp, GBC

## 2016 B Impact Report



	University Financial Corp Points UNVERIFIED	Ordinary Businesses** UNVERIFIED	B Corps*** CERTIFIED
<b>Overall B Impact Score</b>	<b>143 pts</b>	<b>51 pts****</b>	<b>97 pts****</b>
<b>Governance</b>	<b>23</b>	<b>6</b>	<b>14</b>
Corporate Accountability	16	3	10
Transparency	7	3	4
<b>Workers</b>	<b>26</b>	<b>20</b>	<b>26</b>
Compensation, Benefits & Training	18	15	17
Worker Ownership	2	1	3
Work Environment	5	4	5
<b>Community</b>	<b>34</b>	<b>15</b>	<b>44</b>
Community Practices	19	10	20
Suppliers & Distributors	2	2	4
Local Involvement	8	3	6
Diversity	3	1	3
Job Creation	4	1	2
Civic Engagement & Giving	7	2	5
<b>Customers</b>	<b>52</b>	<b>5</b>	<b>18</b>
Consumer Products & Services	52	5	18
Serving Those In Need	30	N/A	N/A
Products or Services	22	N/A	N/A
<b>Environment</b>	<b>8</b>	<b>6</b>	<b>13</b>
Environmental Products & Services	N/A	2	8
Environmental Practices	7	N/A	N/A
Land, Office, Plant	5	3	5
Inputs	2	1	3
Outputs	1	1	1
Suppliers & Transportation	0	0	3

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\*\* Median score of Ordinary Businesses that have completed the B Impact Assessment (BIA).

\*\*\* Median scores of all Certified B Corporations that have received a minimum certified score of 80 on the BIA.

\*\*\*\* For Ordinary Businesses and Certified B Corps, Total B Impact Scores will not equal the sum of the sub-scores since each reflects a median score.

# Benefit Report Narrative



## Overview

University Financial Corp, GBC, which is the holding company of Sunrise Banks, N.A., became a Public Benefit Corporation on January 2, 2015, the first day it was legally possible in the state of Minnesota.

University Financial Corp, GBC and its Board of Directors have selected the B Impact Assessment (BIA) as the third party standard to prepare this benefit report because it is the most widely-used impact measurement and management tool in the world. It is used by more than 30,000 businesses to measure, compare, and improve their overall social and environmental performance, as well as by an increasing number of investors, business associations, and government entities serious about understanding and benchmarking the impact of the companies in which they invest and with which they do business. The BIA is governed by the nonprofit B Lab and meets the statutory requirement that a third party standard must be comprehensive, credible, transparent, and independent. More information about the BIA and B Lab is available at [bimpactassessment.net](http://bimpactassessment.net).

Benefit corporation statutes require a benefit report to include narrative responses to a specific set of questions. Below are our responses to those statutory questions.

## **Describe the ways in which the benefit corporation pursued general public benefit during the year and the extent to which general public benefit was created.**

University Financial Corp, GBC and its bank subsidiary, Sunrise Banks, N.A. (collectively referred to as "Sunrise") has a mission to be the most innovative bank empowering the underserved to achieve. The previous page provides a snapshot of Sunrise's B Impact Assessment (BIA) as of December 31, 2015. Sunrise has elected to use the BIA tool to evaluate the organization's pursuit of general public benefit.

B Lab has certified thousands of companies and since 2007, has been continuously reviewing and updating their comprehensive social and environmental standards. Their assessment, the BIA, scores companies on social and environmental performance on a 200-point scale; to be certified, a company must score 80 points. Sunrise has been certified as a B Corporation since 2009.

Sunrise had an overall score as of December 31, 2015 of 143. While this score is the same as the prior year assessment, which was taken for the purpose of recertification as a B Corporation as of December 31, 2014, the score is well above the median score for ordinary businesses of 51 points and above the median score for B Corps of 97 points. In addition, in 2015, Sunrise scored in the top 10% of all Certified B Corps for overall social and environmental impact and was named to the Best for the World honoree list.

The snapshot also provides a comparison of the organization's score to the average scores of other Certified B Corps and ordinary, uncertified businesses in five categories: Governance, Workers, Community, Customers, and Environment. This enables the organization to quantify how it fulfilled the purpose of promoting general public benefit. Below are highlights of how Sunrise achieved public benefit in 2015:

### **Governance:**

As a Certified B Corp, Sunrise follows the Certified B Corporation standards for accountability and transparency. When possible, without revealing private or confidential financial information, Sunrise promotes the sharing of data and best



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practices within the organization, industry, and public.

In addition to the Annual Benefit Report, Sunrise has published an annual Impact Report since 2013, which is available on the organization's website at <https://sunrisebanks.com/community-involvement>. Through the Impact Report, Sunrise communicates its mission, highlights key performance metrics, and shares meaningful initiatives and projects. As a regulated financial institution, Sunrise also makes available performance information via the Federal Financial Institutions Examination Council (FFIEC) government website.

As a regulated institution, Sunrise also has strict policies, financial controls, and prevention systems in place, including, but not limited to: fraud risk assessments, documented financial control activities, help line/anonymous reporting mechanisms, and training on regulations such as the Bank Bribery Act.

In addition to a formal Board of Directors, Sunrise has a community advisory board, which is made up of 100% low-income community representatives per the Community Development Financial Institution Fund (CDFI Fund) guidelines. This advisory board enables the organization to understand and engage the community more meaningfully and in great depth.

In 2015, Sunrise formalized its training for employees on the social and environmental mission of the organization by creating an annual online course for all employees and by creating in-person training for all new hires.

#### **Workers:**

Sunrise recognizes the vital and unique role employees play in supporting the organization's mission and community initiatives. Sunrise offers a full benefit suite to employees including:

- Medical and dental insurance
- Short/long term disability after one year of service
- Paid Time Off
- Access to a small dollar loan program, TrueConnect after six months of service
- 401k program with match dollar-for-dollar up to 4% of eligible compensation
- Profit Sharing Plan
- Basic term group life insurance
- Employee Assistance Program

The organization was also named to the Minneapolis/Saint Paul Business Journal "Best Places to Work" list in 2015. The organization achieved an engagement score of 87.90 out of a total of 100 points, and 98% of staff was labeled as "satisfied" or "engaged".

In 2015, Sunrise held its second annual Sunny Awards to recognize an employee who most exhibits the Sunrise 10x values by creating a culture of achievement. In 2015, Sunrise also added a new employee position of "Culture Coordinator" to further cultivate the organization's culture through initiatives such as the annual all-staff conference, wellness programs, and employee recognition programs.

#### **Community:**

Sunrise Banks has a long history of philanthropy and giving back, but also strives to make a positive impact in the communities it serves through more than just financial giving and lending. Individual employees and leaders provide multi-faceted support to customers and nonprofit organizations and are encouraged to give back to the community through corporate-sponsored volunteer activities and participation in programs like Meals on Wheels and Habitat for Humanity.

Employees of Sunrise are encouraged to volunteer in the community and in 2015, they dedicated 8,303 hours to community service, which equates to approximately 41 hours per employee.

Other giving highlights include:

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- Each employee was each given \$25 to give back to an individual, family, or group in need in the community.
- The Como Avenue branch "Park Perks" coffee program donated \$5,873 to neighborhood nonprofit organizations.
- Employees pledged \$20,196 during the annual employee giving week.
- Approximately 650 toys were donated to families from local nonprofit partners.
- Sunrise helped Newgate Education Center through a social media campaign to build awareness and \$5,000 in donations for the school.
- Sunrise donated a total of \$5,000 to Twin Cities Rise, People Serving People, and Urban Homeworks during a social media contest promoting each nonprofit's causes.
- Employees donated over 250 children's books in just one day.
- Sunrise partnered with a local business to provide interactive, energetic programming on spending and saving smart in 6 local schools, reaching over 1,500 students.
- In partnership with nonprofit organizations, Sunrise employees facilitated literacy training to approximately 240 individuals.

Sunrise demonstrates its commitment to the local community by pledging to give back a minimum of 2% of pretax earnings annually and by participating in the Minnesota Keystone Program through the Minneapolis Regional Chamber of Commerce. Sunrise also demonstrates its commitment to the local community by hiring a diverse staff that is representative of the communities it serves. As such, Sunrise staff are 57% female, 25% minority, and 30% of staff lives in low-and moderate-income communities.

In addition, four of our six retail branches are located in low- and moderate-income communities, and the majority of employees also work in offices located in low-and moderate-income communities.

#### Customers:

Sunrise is a certified Community Development Financial Institution (CDFI). CDFIs are mission-driven financial institutions dedicated to community development and providing financial products and services to meet the needs of economically disadvantaged individuals in underserved communities. As a CDFI, Sunrise targets underserved communities in the Twin Cities. In 2015, over \$135 million, or approximately 65% of all loans were in the bank's CDFI Investment area, an area which overall has a 22% poverty rate.

Sunrise Banks is on the forefront of innovation with its products and services. Products such as its Impact Deposit Fund (IDF) and New Markets Tax Credit (NMTC) loans enable Sunrise to create jobs and accomplish its mission of radically changing the way urban communities and underserved people thrive. Notable successes and achievements in 2015 include:

- Sunrise continues to be the only bank in Minnesota to hold the CDFI designation.
- Sunrise Banks continued to grow its innovative small-dollar loan product, TrueConnect, with intentions to help individuals break free of the payday loan cycle and build credit. At year end, this product was available to 6,500 people in Minnesota, California, Ohio, and Virginia.
- Sunrise customers designated approximately \$125 million to the Impact Deposit Fund (IDF), allowing customers to actively support local community development.
- Sunrise launched a Credit Builder Program, which is a combination loan and savings program that may help participants establish a good payment history, which is an important step to building a better credit score.
- Sunrise deployed \$20,117,500 as a part of the New Markets Tax Credit Program, which seeks to increase investments in the nation's most distressed areas.
- Sunrise continues to partner with Lutheran Social Services (LSS) to offer free financial budgeting/counseling services to all Sunrise Banks customers, employees, and their household members.

Sunrise received its most recent "Outstanding" Community Reinvestment Act (CRA) rating in 2014. Major factors supporting this rating, the highest given, include:

- A substantial majority of loan originations are within the bank's designated Assessment Area.

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- The distribution of loans to businesses of different sizes reflects excellent penetration.
- The geographic distribution of loans to business reflects excellent dispersion throughout the Assessment Area.
- The bank demonstrated excellent responsiveness to area needs through qualified Community Development loans, investments, and services.

**Environment:**

Sunrise is committed to reducing its environmental footprint and promoting environmental stewardship at all levels of the organization. Sunrise strives to manage its operations in a sustainable manner, while continuing to search for ways to improve our performance. Sunrise has made changes in 2015, but recognize there is much more to do.

In 2015, Sunrise began monitoring the usage of energy and water resources at each of the organization's locations. This will enable the bank to better monitor the impact of new initiatives, such as LED lighting changes. In addition, all facilities purchased new printers that help minimize printing and also allow for ink to be removed (and paper reused when printed by mistake or no longer needed). The printers also have a recyclable toner program.

Sunrise has also continued to use practices such as recycling at all locations, using recycled paper for office printing, having the majority of square footage as LEED certified, and incorporating energy efficient technologies such as occupancy sensors.

**Describe any circumstances that have hindered the creation by the benefit corporation of general public benefit or specific public benefit this period.**

Sunrise had many successes in 2015, but also had challenges to improving its BIA score. Challenges included:

- While greatly improved since 12/31/14, Sunrise still has a higher attrition rate than many other B Corps.
- Sunrise expanded its online TrueConnect loan program to multiple states. While this product helps create access for many who might otherwise have to go without or use payday loans, this also means the number of face-to-face meetings decreased, which negatively impacted score.
- Sunrise values utilizing local vendors and partners, however, in practice, it is very challenging. As such, only 35% of our vendors were located within 200 miles of the organization's headquarters. To be competitive both in business and in attracting employees, Sunrise has had to look further for technology and benefits providers. Sunrise has many local vendors and intentionally maintains these business relationships.

**Describe the process and rationale for selecting the third party standard used to prepare the benefit report**

Sunrise selected the BIA for quantifying performance because it is the leading tool for this purpose and it satisfies the performance requirements under the Minnesota Public Benefit Corporation law. B Lab's BIA is a third-party, independent and credible resource. The BIA also provides comparability across industries. The role of B Lab is to provide this assessment and to promote companies pursuing a triple bottom line through local and national events and publications. University Financial Corp, GBC and Sunrise Banks N.A. are not affiliated nor compensated by B Lab.

In addition to the Public Benefit Corporation status, Sunrise is a Certified B Corporation and has used the BIA since 2009 to evaluate performance. A Certified B Corporation is a for-profit company certified by the nonprofit B Lab to meet rigorous standards of social and environmental performance, accountability, and transparency. Today, there is a growing community of more than 1,600 Certified B Corps working together toward 1 unifying goal: to redefine success in business.

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In this benefit report, was assessment of the overall social and environmental performance of the benefit corporation against a third-party standard applied consistently with any application of that standard in prior benefit reports?

NA- This is the company's first benefit report

No

Yes

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*Steve Simon*

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Secretary of State