



chairman's report

By Bill Carr

W. a. Carr

I am pleased to report that your credit union had a record-setting year, in spite of challenges. We continue to face a difficult financial environment, regulatory climate and the effects of macroeconomic issues throughout our nation and the world which inevitably impact our members as well as this institution.

We posted our highest numbers yet for asset size, income and financial benefits provided to our members. Your credit union remains in an excellent position to provide financial security as well as all of the other benefits you currently enjoy as a member. Our financial strength will also allow us to capitalize on opportunities to grow which will extend these benefits to new members in the future.

In his most recent article, our CEO mentions "legacy." I believe that one of the most powerful legacies any member can bestow would be to pass on the experience of being a Sun Federal member to family and friends by inviting them to join us as we work to increase the quality of life for all of our members.

As always, I thank you for the opportunity to serve.



president's report

By Gary Moritz

G. Moritz

It's the time of year when credit union CEOs all across this great nation take the time to share with their members the successes and challenges the credit union experienced in 2012. While I'll share some financial milestones a little later, I would like to take a more people-centered approach with this year's report. I want to try and "bring to life" how our "people caring about people," mission-based approach truly impacts lives!

When you chose to join Sun Federal you may have thought that you were simply opening a checking account, applying for an auto loan, or securing a good yield on a certificate, but here at Sun, it means much more than that. By using our products

and services, we can translate that financial product usage, or that transaction, into serving other members. In other words, our cooperative structure benefits you and all the members of **Sun Federal**. We live the cooperative spirit. Week after week, I hear examples of how we helped improve the life, not just the financial well-being, of a member. Here are just a few examples:

- A Philadelphia member on the brink of losing their home to foreclosure was a few days away from being evicted by their lender. They came to see if we could help. Focused on our mission, we didn't simply review their credit score or some complicated lending matrix, we **listened to their story** and worked with them to keep their home out of foreclosure and from literally having to live on the street.
- One of our members in Ohio lost their job and was a little behind on their auto loan. The institution that held the title was unsympathetic and not willing to work with them. As a "last resort," they came to us and, again, we **listened to their story**. As it turns out, this was a long-time member who had a good-standing relationship with us and was negatively impacted by the recent economic downturn. Looking beyond the credit application, we re-worked their auto loan, gave them a better interest rate than what they were currently paying and managed to reduce their monthly payments. As luck would have it, the member did get another job and is now up-to-date on their payments and able to commute back and forth to their new job.

The stories shared in this report are the reason why I, and the employees of Sun Federal, come to work every day — to improve the lives of our members! **It's** not about selling financial products, it's **about helping people** embrace financial principles **and** disciplines that make lives better and more secure. I am honored to work with such a dedicated, passionate group of team members and director/volunteers that are committed to improving the lives of our membership.

As promised, here are a few notable 2012 financial highlights. Over 2,000 members partnered with Sun Federal. Total assets increased 8.90% to over \$450M while our Net Worth Capital Ratio continued to remain strong at 8.84%. Our net earnings totaled \$2M, a record year for Sun Federal. 2012 demonstrated that by **staying committed to our philosophy** of "people helping people," your credit union will continue to prosper even during some very challenging economic times.

In closing, I truly believe credit union cooperatives are the best financial alternative for today's families. People want to belong to something that brings others together for the good of all. Credit unions, like Sun Federal, believe people and their life journey matter more than money. Big banking is not the same as "people caring about people" and if we've learned anything over the past years; it's the importance of being able to count on those who have our best interest at heart. It's a lifetime relationship at Sun Federal.

remarkable in 2012

*Compared to like credit unions nationwide.

members earned
\$6 million
more in financial benefits*

each member saved
\$67
in fees*

each member earned
\$138
more in dividends*

2,121

people reached by our financial education coaches

53

financial education seminars presented

1,460

financial education seminar attendees



2012
annual report

remarkable

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As of 12/31/2012

Assets	
Consumer Loans	\$82,145,829
Real Estate Loans	\$174,288,324
(Less Allowance for Loan Losses)	\$(1,355,647)
Total Loans	\$255,078,506
Cash	\$19,115,826
Investments	\$150,730,964
Other Assets	\$25,205,518
TOTAL ASSETS	\$450,130,814

Liabilities & Equity	
Liabilities	\$11,448,267
Member Share Deposits	\$400,660,231
Members' Equity & Reserves	\$38,022,316
TOTAL LIABILITIES & EQUITY	\$450,130,814

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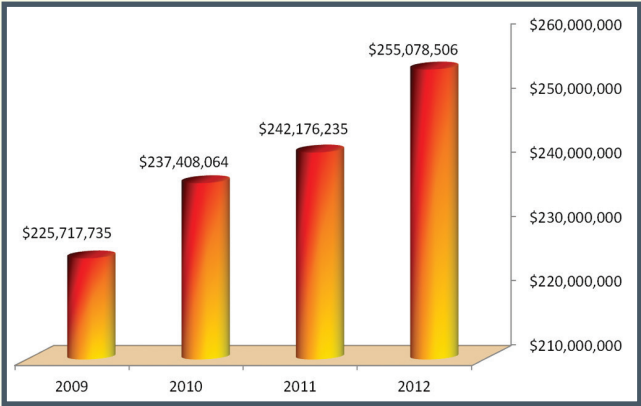
As of 12/31/2012

Income	
Income from Loans	\$13,987,932
Income from Investments	\$4,959,604
Other Income	\$4,165,516
TOTAL INCOME	\$23,113,052

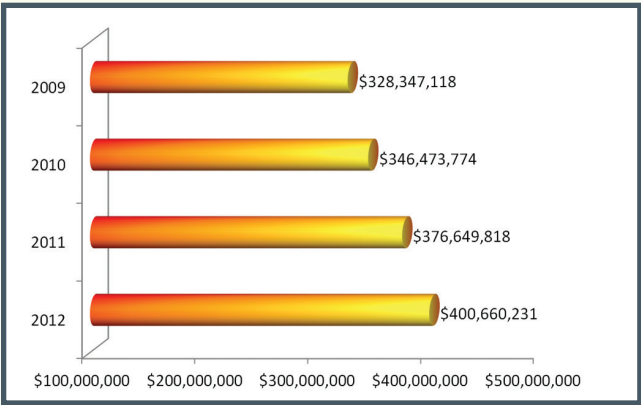
Expenses	
Operating Expenses	\$13,133,210
Dividends Paid to Members	\$6,644,728
Non-Operating Expenses	\$1,333,381
TOTAL EXPENSES	\$21,111,319
CONTRIBUTION TO MEMBERS' EQUITY	\$2,001,733

Detailed audited financial statements and a report from the independent auditors are available. Please contact the Finance Department at the Support Center.

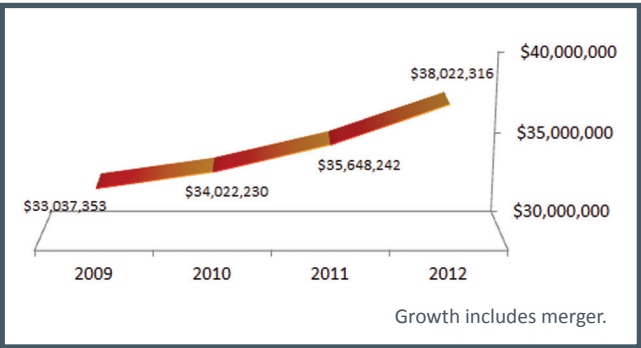
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61stannualmeetingminutes

Board Members Present: W. Barrett; W. Carr; J. M. Jesionowski; W. D. Lieder; T. Ryan; L. Santaniello; C. Gordon

Assoc. Directors Present: R. Cherry

Senior Managers Present: M. Bourdo; M. DeYoung; C. Eldridge; B. Hughes; D. Krueger; G. Moritz

Others: E. Fiscus (Supervisory Chair); M. Fryer (Rec. Secretary)

Brian Hughes announced the winners of the Maria Fanelli Levine Memorial Scholarship Trust as follows: First Place – Darlynn McFadden; Second Place – Jacob Banded; Third Place – Nathan Hanley.

Chairman Emeritus Don Lieder called the meeting to order at 6:00 pm. S. Phillips verified that a quorum was present. Approximately 449 members were present.

Don Lieder indicated that the previous Annual Meeting minutes were available in the 2011 Annual Report and a motion was brought to suspend reading: motion passed.

Supervisory Committee Chairman Ed Fiscus reported that the 2011 audit was completed. He noted that an audit report would be forthcoming from the independent firm employed by the Credit Union, Cindrich, Mahalak, & Co.

He announced the results of the election and noted that uncontested board member candidates Thomas W. Ryan and Lester Santaniello were re-elected to the Board of Directors to serve another 3-year term.

Chairman Bill Carr welcomed members to the 61st Annual Meeting. He stated that Sun Federal was “strong, stable and growing” as a result of its core values. He noted changes to the Board of Directors: Donn Shires retired and Christy Gordon was elected to serve his remaining term. He closed his comments by recognizing the dedicated advisory board members in attendance.

President Gary Moritz addressed the membership and stated that the mission remains Sun Federal’s purpose grounded in a rich heritage of service and that the business of financial services isn’t what drives Sun Federal; it’s the people. He thanked the membership for remaining members of Sun Federal.

Chairman Bill Carr thanked Gary Moritz and closed by asking for unfinished or new business. None were reported and the meeting adjourned at 6:34 pm.

ourvolunteers

Board of Directors

William Carr, Chairman
W. Donald Lieder, Chairman Emeritus
Thomas W. Ryan, Vice Chairman
Walter G. Barrett, Secretary
Christy Gordon
J. Michael Jesionowski
Lester Santaniello

Associate Board Members

Rick Cherry
Kay Jones

Supervisory Committee

Barbara Burnett
Edward Fiscus
W. Donald Lieder

Executive Committee

Walter G. Barrett
William Carr
Thomas W. Ryan

Volunteer Development Committee

Rick Cherry
W. Donald Lieder
Thomas W. Ryan
Lester Santaniello

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Gary Moritz, President/CEO
Marcia Bourdo
Mark DeYoung
Brian Hughes

Jim Keilholz
Dawn Krueger
Francesca Vogel
Dave Wilde

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