

SUN FEDERAL CREDIT UNION



# ANNUAL REPORT!

#2016

EST. 1950

**TRANSFORMING LIVES EVERY DAY**

# CELEBRATING EVERYDAY SUPERHEROES

*Superheroes* are defined not by their costumes, capes, super powers or symbols. Rather, they are defined by their acts of compassion toward others.

While they are from all walks of life, here are a few everyday superheroes we encountered in 2016 and what they do:



## THEY PROTECT US AND OUR FREEDOM...



*The 180<sup>th</sup> Fighter Wing*



*SMSgt Scott R. Compton  
(Member since 1989)*



*Col. Kevin V. Doyle, Commander  
of the 180th Fighter Wing with  
SFCU employees*

## THEY ARE FOOD FOR THE SOUL...



*Sister Jean Marie  
Walczak from St. Richard  
Catholic Church*

## THEY INSPIRE US...

*Olympic Silver Medalist, Nia Ali  
(Member since 1994)*



## THEY TEACH US...



2016 Extraordinary Teacher of the Year Winner (PA)  
Tannan Summons, receiving his award



2016 Extraordinary Teacher of the Year Winners (OH); Left to right: Mindi Hazuda (Member since 2005); Wendy Danzeisen; Kristine Pedro; Heidi Straka (Member since 1999); Gary Moritz, President/CEO of Sun Federal



2016 Extraordinary Teacher of the Year Winner (PA)  
Connie Aarons, receiving her award



Washington Local Schools' new teachers orientation



Jennifer Compton and Superintendent of Ottawa Hills Schools, Dr. Kevin Miller (Member since 2010)

## THEY PATCH US UP...



Dr. Herbert E. Stockard, Chief Medical Officer at Mercy Health - St. Anne Hospital



Nurses at Mercy Health - St. Anne Hospital



# CHAIRMAN'S REPORT



## WHAT IS A CREDIT UNION?

Is it a union like the United Auto Workers Union (UAW) where you join and have to pay dues? And what does it have to do with credit?

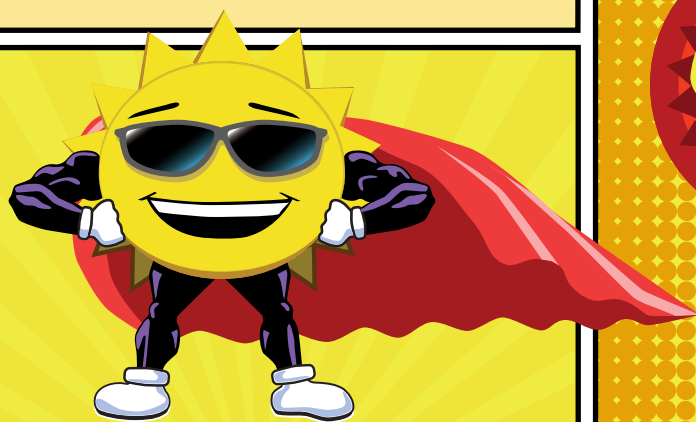
For many people who are not a member of a credit union, these are typical questions you might encounter if you mention that your primary financial institution is a credit union as opposed to a bank. When they ask why you use a credit union rather than a bank, it presents a golden opportunity to be an advocate for Sun Federal!

You can tell them that our credit union can do everything a bank does, but with better interest rates for savings and loans plus much lower fees. This is because we are a financial cooperative owned by the members and operated strictly for their sole benefit. It operates much like a farmer's co-op or other co-ops you see around the city. Another advantage we have over banks, which helps provide members the best return for doing business with us, is we are a volunteer-led, not-for-profit organization. We are not subject to federal or state taxes and our Board of Directors are not paid for their service. Unlike banks, which are operated for a profit, which benefits the bank's stockholders, and whose directors are paid large sums, credit unions are owned and operated strictly for the members and any excess funds are returned to the members in the form of higher dividends, better interest on savings, lower loan rates and lower fees.

As a member, I would encourage you to be an enthusiastic advocate for our credit union and impact, in a powerful way, the lives of your family, friends and acquaintances who may be stuck doing business with a bank. Once they switch, you will be the object of their extreme gratitude! "In the spirit of People Caring About People," you will have made a positive difference in the world!

Thank you for allowing me to serve, and God bless.

W. A. Carr





# PRESIDENT'S REPORT



## TRANSFORMING LIVES EVERY DAY!

Sun Federal's prosperity is defined by the success of our members, employees, volunteers, sponsor groups, communities and business partners. Each group is made up of "superheroes" that, every day, impact lives by doing meaningful things!

For your Credit Union, impacting lives is all about transformation – a refreshingly different and very personal experience meant for good and honor – ultimately to help each member become something more in the context of achieving their goals and dreams. For me and all of us at Sun Federal, it's a heart-driven mission to serve others. Every member is unique and has different needs based on today, tomorrow and the beyond.

The everyday superhero team at Sun Federal is focused on helping each member feel more confident and financially informed. At the core of a secure relationship is a foundation of trust, respect and a caring spirit. This goes hand-in-hand with equipping members to achieve financial freedom and security.

Inspiring every member to live confidently – believing and knowing that together we are stronger – is what credit union cooperatives are all about! The "world" is tired of being "sold" and is looking for institutions that care and are focused on improving lives, listening to stories and walking beside them on life's transforming journey. Partnering with others is what makes Sun Federal different than other financial institutions.

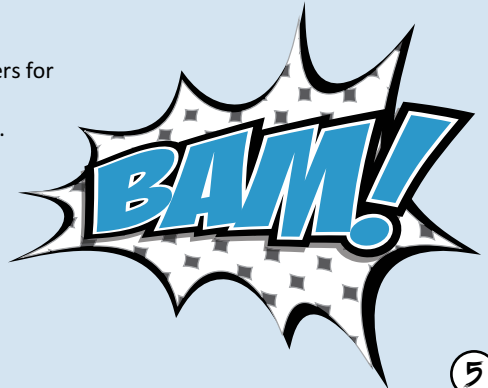
As we continuously evolve and transform as a financial cooperative, we strive to be highly involved with every member. We're focused on creating trust and relevance, with full engagement across our diverse membership, and an ongoing emphasis on serving the next generation.

I'm honored again this year to inform our 31,000+ members that we continue to prosper – realizing growth in loans, shares, reserves and members, all while continuing to experience member satisfaction rarely experienced in our industry. In 2016, we continued to rank among the highest credit unions across the nation when it comes to giving back to our members, those that made Sun Federal the strong cooperative it is today – returning more favorable dividends, lower loan rates and lower fees. We also continue to receive an extremely strong rating from our regulator, reinforcing our commitment to maintaining a fiscally safe and sound cooperative.

As we celebrate the continuing success and prosperity of Sun Federal, we can enjoy the sincere feeling knowing that our Missional Caring Spirit creates the true win-win for each member and all members of the Credit Union.

I would like to thank each of our 31,000+ members for their continued support and for allowing us to participate in your life journey of transformation. We will always be better together.

  
Gary Moritz



# 65<sup>TH</sup> ANNUAL MEETING MINUTES

April 25, 2016

## Board Members Present:

B. Carr  
T. Ryan  
W. Barrett  
C. Gordon  
J. M. Jesionowski  
W. D. Lieder  
L. Santaniello

## Assoc. Directors Present:

D. Madigan

## Senior Managers Present:

G. Moritz  
M. Bourdo  
D. Cameron  
B. Hughes  
J. Keilholz  
D. Wilde

## Others:

E. Fiscus (*Supervisory Chair*)  
M. Fryer (*Rec. Secretary*)

Chairman W. Carr called the meeting to order at 6:16 pm and verified that a quorum was present. Approximately 290 members were present.

The Chairman welcomed members, specifically those who joined Sun Federal through mergers, and noted mergers are an industry trend. Regulatory bodies continue to involve themselves heavily in the Credit Union industry and this election year is critical. He encouraged everyone to vote after careful consideration of the candidates.

G. Moritz spoke regarding the theme: Living Values – Life’s Journey. He thanked everyone for coming and acknowledged the winning teachers of the Extraordinary Teacher of the Year program. The party theme “Roaring 20’s” put him in mind of the era, noted for being one of great affluence. Historically, the credit union cooperative movement started in 1915 with roughly 166 CU’s in the 20’s. Sun Federal will never forget its Mission & Values. He shared a true member story about a family that had been turned down by many financial institutions but came to SFCU and were listened to and embraced as individuals, not just a credit score. G. Moritz promised SFCU will continue the heritage of caring about people by partnering with schools, churches, and employers to reach the community. SFCU will continue to innovate and value “doing life” more than “doing business.”

Chairman W. Carr entertained a motion to suspend the reading of the previous Annual Meeting minutes (placed on each table for reference) from member M. Fryer. The motion was seconded by member J. Fryer and passed. The meeting minutes were approved.

Supervisory Committee Chairman Ed Fiscus reported that both the Supervisory Audit (performed by Cindrich Mahalak) and the Regulatory Exam (performed by the NCUA) were completed and while previous exams showed SFCU outside of policy on a few parameters, these have since been corrected. The Supervisory Audit report was still in draft form but contained no major areas of concern. He also announced the election results.

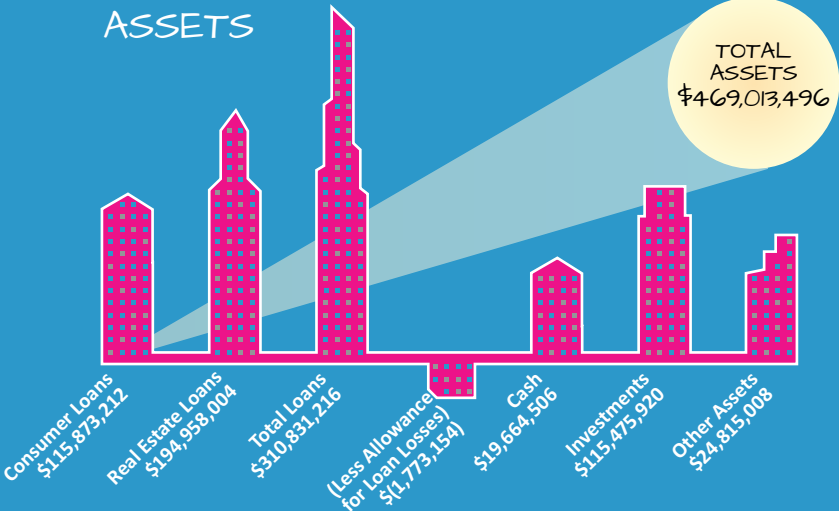
Candidates received the following number of votes: William A. Carr, 1,140 votes; J. Michael Jesionowski, 1,106 votes; Walter Barrett, 1070 votes; and R. McEwen, 781 votes. W. Carr declared the winners to be the incumbent candidates, re-elected to the Board of Directors.

W. Carr noted no old business and asked for any new business. Member R. McEwen moved to suggest that term limits be instituted for Board service. Member C. Tolson seconded the motion. W. Carr responded by requesting that R. McEwen submit the motion in writing to either himself or G. Moritz as the chair’s agent to ensure the specificity of the motion and to comply with the credit union’s bylaws and, when received, he would bring the motion before the Board for their consideration. There was no further new business. The meeting was declared adjourned at 6:45 pm.

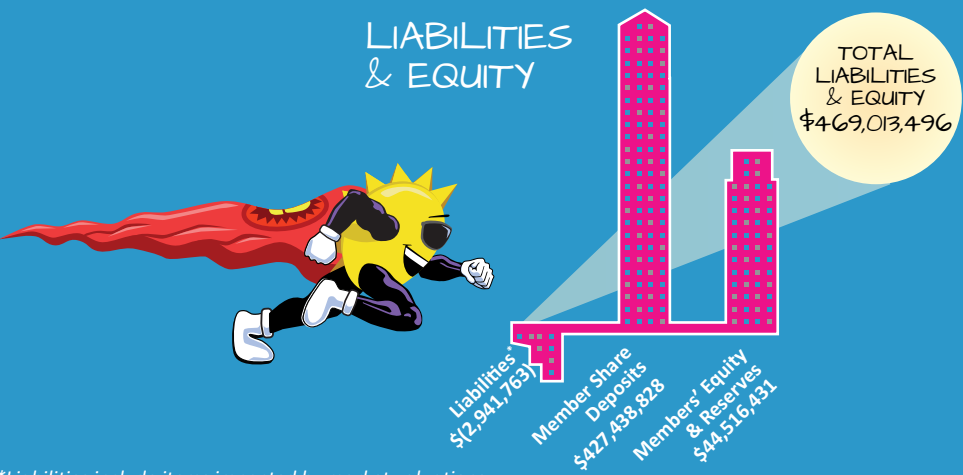
# STATEMENT OF FINANCIAL CONDITION

12/31/16

## ASSETS



## LIABILITIES & EQUITY

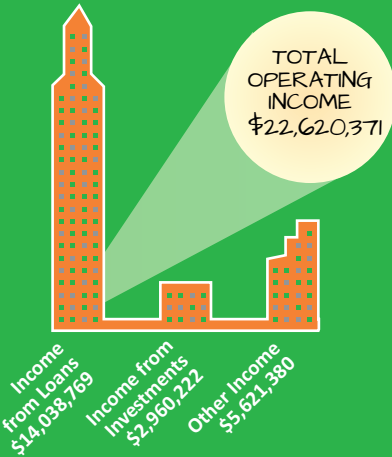


\*Liabilities include items impacted by market valuations

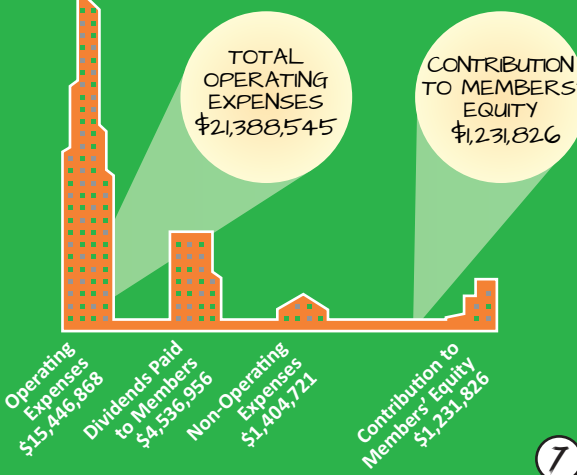
# INCOME STATEMENT

12/31/16

## OPERATING INCOME



## OPERATING EXPENSES



MEANWHILE, IN 2016...

MEMBERS EARNED

**\$5.3  
MILLION**

MORE IN  
FINANCIAL BENEFITS\*

EACH  
MEMBER SAVED

**\$47**

IN FEES\*

EACH MEMBER  
EARNED

**\$82**

MORE IN DIVIDENDS\*

EACH MEMBER  
WITH A LOAN, SAVED

**\$72**

IN INTEREST\*

**31,990**

MEMBERS AS OF 12/31/2016

\*COMPARED TO LIKE  
CREDIT UNIONS NATIONWIDE.

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FEDERALLY INSURED BY NCUA  
PRIVATELY INSURED BY ESI



SUNNY ILLUSTRATIONS: RACHEL ACKERMAN (SFCU EMPLOYEE) AND CASEY COOK (MEMBER SINCE 2006)