



**Creating  
Connections**



**2019  
ANNUAL  
REPORT**



# CHAIRMAN'S REPORT

It has been said that, in life, the only constant is change. Presently, we have experienced massive and rapid change, both on the global stage as well as personally. Our human response to change is initially discomfort, followed by adaptation. Very simply, life requires organizations and people to identify, react to, and successfully manage change.

Like many other organizations, Sun Federal has been severely impacted by the COVID-19 pandemic. It has forced us to modify some of our long-standing traditions, like postponing our annual meeting and updating our business model, in order to protect our employees and members. Additionally, we are adjusting to regulatory-driven changes in the financial services industry. All these changes bring both risk and opportunity. History has shown that the organization which adapts swiftly and most robustly to change will likely prevail over its competitors. At Sun Federal, we intend to follow this strategy.

Our new president and CEO, Brian Hughes, along with our incredible staff, were proactive in addressing the challenges brought by the pandemic. They have aggressively reorganized our staff and instituted policies that are designed to achieve the Board's vision of achieving growth while adhering strictly to our mission, values, and culture; all while keeping members and staff safe.

Why is growth such an important goal? Growth, as measured by membership and assets, allows economies of scale, making us more efficient and allowing us to offer the financial products that our members desire. Growth also affords us the opportunity to invest in the new technologies needed to successfully compete in the future to provide superior member service.

In addition to the "black swan" pandemic event, another important change we are facing is the recent rapid advances in technology. Entire industries are being disrupted; think Amazon, Apple, Netflix, Tesla, etc. Our industry is no different and not exempt from technology's impact. Technology is currently one of your Board's focused initiatives, as it affects all aspects of our operations and membership. In response, we have a new Chief Information Officer (CIO) who oversees all facets of our information technology. He is charged with keeping us in the forefront of developments in that sphere, while protecting our systems from unwanted cyber-attacks, an important feat during these ever-changing times.

Rest assured that Sun Federal will continue doing everything we can to keep our members and staff protected from the effects of the pandemic and to offer the critical products that technology can provide!

As always, thank you for your loyalty and giving me the opportunity to serve.

Bill (William) Carr, Chairman

# PRESIDENT'S REPORT



A union is a group of people coming together for a common purpose to accomplish something together that could not be done nearly as well alone. Sun Federal offers an opportunity for us to combine our financial resources as members in order to invest in each other's lives. A union of members provides resources to hire great people who combine financial expertise and unconditional love to serve in an extraordinary way. This can transform lives. We become stronger together.

Sun Federal's mission based in "People Caring About People" has perhaps never been tested more than during this time of pandemic. We have spent many hours planning and implementing best practices while continuing to serve and keep our members, employees, and credit union safe and healthy. It has not been easy.

We have granted loan forbearances and deferments and offered special loans to help unemployed members, directed traffic in the drive-thru lanes when lobbies were closed or access was limited, sanitized work spaces, had employees on rotation working from home and isolated from others for months, promoted safety in the lobbies, learned and are doing new jobs, reached out to members by phone, transformed offices and then helped members process the changes. We built, discovered, and used our technological capabilities more efficiently. Through all of it, our employees continued to provide selfless help to our members and to each other even in the midst of personal circumstances. They demonstrated courage.

Becoming stronger together is also evident as Sun Federal continues to transform. I am well into year 2 as your President/CEO. Time continues to move at a fast pace. One of the reasons it moves so fast is that we have been fast moving. Our employees challenge each other to step up their commitment as engaged stewards of our mission. Individual and group training persisted throughout Sun Federal as employees were exposed to many new experiences. I had the privilege of meeting with nearly 120 employees individually and I have learned a lot. We are changing. We are getting better.

From there, transformation moved to our organizational structure. We have hired, promoted, and transferred more employees than ever before to meet your growing needs, while also positioning ourselves for the future. We more than doubled our business development officers from 2 to 5. We created an eBranch to serve over 12,000 members who don't often visit our branch offices. Half of these members live across 49 states and several countries. We transformed our Sun Support team and reconfigured our phone tree. Now, there are at least 23 employees who can assist with a range of needs over the phone. We welcomed new employees and over 4,000 members from Woodco and Mercy Federal Credit Unions as they partnered with us in two mergers. We also opened a new office in Perrysburg to better serve our members.

*(continued on page 4)*

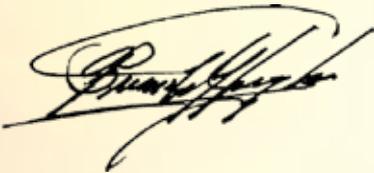
# PRESIDENT'S REPORT (continued)

We have introduced our state-of-the-art Harmony movement to more of our branches and all of our drive-thru lanes and created an i(interactive)MSR team to pop in through Harmony on an as needed basis to serve your transactional needs. In our warm and friendly lobbies, our member service specialists are available to serve your other lending, financial products and planning concerns. This helps us serve you more personally, with small and big financial needs.

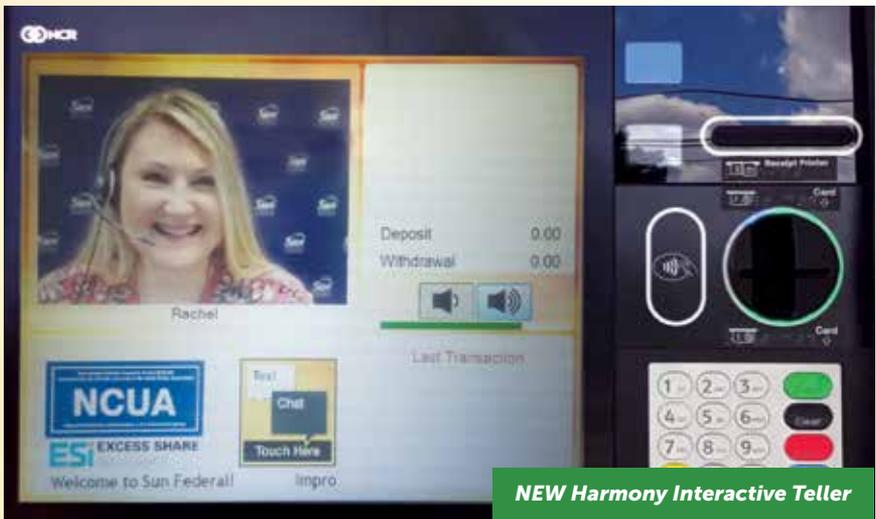
Lastly, this results in members transforming as the quality of their financial lives improve. We read the weekly success stories about them; about you. We are seeing more members deepening their relationship with us. Loan and share growth continue to exceed goals. Our member loyalty scores are all rising as you tell us in an annual survey what you think of your Sun Federal experiences.

Through it all, we remain steadfast in our mission to serve you, our members. I remain reliant on all of you who won't allow any of us to fail as we lift each other up. Thanks for everything. You made my first year a pleasure and a privilege.

Although the end of the virus is not yet in sight, the day will come when we will see on the horizon the shores of a new era. Until then, we sail forward into a new sunrise. Sun Federal is and will be different but better thanks to each of you. I am grateful for the past and excited about the future as we grow stronger together.



Brian Hughes, President



# 68TH ANNUAL MEETING MINUTES

Dave Wilde welcomed everyone to the 68th Annual Meeting and gave a special thanks to the 18 volunteers who donated their time in order to plan and organize this year's Building a Fantastic Future Together celebration. Chairman William Carr began the business portion of the meeting and introduced Ohio Congresswoman and SFCU member Marcy Kaptur who took the stage and spoke of her dedication and support to local credit unions. W. Carr called the meeting to order at 5:40pm and verified a quorum was present. The Chairman indicated that minutes from the 2018 Annual Meeting were available for reference on each table and entertained a motion to suspend the reading. Member Sharon Long moved, member Beth Cook seconded: the motion carried.

Supervisory Committee Chairman Ed Fiscus reported on two audits which were recently performed. The National Credit Union Administration (NCUA) and an independent accounting firm Doeren-Mayhew both found SFCU's financial condition to be in good standing. The Committee Chairman also announced results for the 2019 Board of Directors election. Walter Barrett, William Carr and J. Michael Jesionowski have each been elected to serve on the Board for another three year term.

President/CEO Brian Hughes highlighted the Mission Statement and discussed the legacy of SFCU before thanking founding sponsors and recognizing employees, leaders and volunteers. Videos and heartfelt stories were shared of employees and members working together to help one another and improve the quality of life together.

Jennifer Compton announced the winners of the following awards: *"Teacher of the Year"*:

*Anthony Torio - Ottawa Hills School*  
*Mazin Omer - Ottawa Hills School*  
*Heather Parquett - Washington Local School*

*Jessica Haney - Anthony Wayne School*  
*Melanie Nyland - Oregon Schools School*  
*Michael Petro - Cardinal Stritch School*

Maria Fanelli Levine Scholarship Winners:  
*1st Place (\$2,000)*

*Marty J. Pennington - Northwood, OH*  
*2nd Place (\$1,500)*

*Anthony Tomalewski - Temperance, MI*  
*3rd Place (\$1,000)*

*Paige Martin - Philadelphia, PA*  
*4th Place (\$250)*

*Stephanie DeRita - Broomall, PA*  
*5th place (\$250)*

*Katelynn McFadden - Bensalem, PA*

Chairman William Carr asked for any new business (none was brought forth) and gave closing comments. Member Lori Bourgeois moved to adjourn at 6:35pm, member Jason Fryer seconded: the motion carried.

## **BOARD MEMBERS PRESENT:**

William Carr, Chairman  
Christy Gordon, Vice Chair  
Walter Barrett, Secretary  
J. Michael Jesionowski  
Tom Ryan  
Les Santaniello  
Kay Jones

## **ASSOCIATE DIRECTOR PRESENT:**

Dan Madigan

## **SENIOR MANAGERS PRESENT:**

Brian Hughes  
Marcia Bourdo  
Dawn Cameron  
Jim Keilholz  
Dave Wilde  
Brian Kelbley  
Adam Sintobin

## **OTHERS PRESENT:**

Ed Fiscus, Supervisory Chair  
Tara Dumas, OH Advisory Board Chair  
Andrea McKeithan, PA Advisory Board Chair  
Adorn Grabarczyk, Recording Secretary

# STATEMENT OF FINANCIAL CONDITION

## ASSETS

Consumer Loans  
\$148,961,120

Real Estate Loans  
\$206,262,377

Cash  
\$28,807,970

Investments  
\$117,335,736

Other Assets  
\$32,588,827

(Less Allowance  
for Loan Losses)  
\$(1,367,177)

**TOTAL ASSETS**  
**\$532,588,853**

## LIABILITIES & EQUITY

Liabilities  
\$11,903,440

Member Share  
Deposits  
\$472,293,802

Members' Equity  
& Reserves  
\$52,597,428

Unrealized Equity Adjustments  
\$(4,205,818)

**TOTAL LIABILITIES & EQUITY**  
**\$532,588,853**

# INCOME STATEMENT

## OPERATING INCOME

Income from Loans  
\$16,984,879

Income from  
Investments  
\$3,380,473

Other Income  
\$7,258,366

**TOTAL INCOME**  
**\$27,623,718**

## OPERATING EXPENSES

Operating Expenses  
\$19,750,213

Dividends Paid  
to Members  
\$4,897,654

Non-Operating Expenses  
\$968,524

**TOTAL EXPENSES**  
**\$25,616,391**

**CONTRIBUTION TO MEMBERS' EQUITY**  
**\$2,007,327**

# WE reward YOU

for banking at Sun FCU

Receive  
Discounts



Awesome  
Deposit Rates



Other  
Exclusive Offers



Member Value Program



Learn more at [sunfederalcu.org/MVP](https://sunfederalcu.org/MVP)

**2019**  
**35,276**  
**MEMBERS**



MEMBERS  
EARNED  
**\$2.14MM**  
MORE IN FINANCIAL  
BENEFITS\*



EACH  
**SAVED \$34**  
IN FEES\*



EACH EARNED  
**\$27 MORE**  
IN DIVIDENDS\*



OVER THE  
PAST 5 YEARS  
**\$144,000+**  
HAS BEEN GIVEN BACK  
TO THE COMMUNITIES  
WE SERVE\*



**800.786.0945 | sunfederalcu.org**



\*COMPARED TO LIKE CREDIT UNIONS NATIONWIDE  
Federally Insured by NCUA. Privately Insured by ESI. Equal Opportunity Lender.