

# Reflecting on 2020

*Putting People Helping People Into Action!*



"This loan helped us to secure our staff while we are closed so that they will have a place of employment when we are able to open again."  
-Amy L. Paulula  
Principal, Sunrise Christian Day School



**Sunrise**  
Christian Day School



"I had an exceptional experience working with the business lending department at Sun East."  
-Jennifer Handy  
Owner, Five Paws of Delaware County



**FIVE PAWS**  
OF DELAWARE COUNTY  
PET SERVICES & SUPPLIES



**COMMUNITY NEWS**  
**Sun East Federal Credit Union names 2020 student and teacher award recipients**




**Student Award Recipient:**  
Sara Taylor, Belmont High School

**Teacher Award Recipient:**  
Mrs. Paul J. Johnson, Southampton High School

The annual award ceremony was held at the Sun East Federal Credit Union headquarters on Tuesday, October 13, 2020. The award ceremony was held at the Sun East Federal Credit Union headquarters on Tuesday, October 13, 2020. The award ceremony was held at the Sun East Federal Credit Union headquarters on Tuesday, October 13, 2020.



**\$5,343,455**  
funded in PPP loans  
to aid local businesses

# Message from the Chairman and the CEO

**Earn your success based on service to others; not at the expense of others.**  
– H. Jackson Brown Jr.

It's fair to say that no one could have predicted the challenges we would face in 2020; from a global pandemic, which caused an economical and physical firestorm; to civil unrest and protests in our streets, which led to deeper conversations; to an election which tested both the strengths and the weaknesses of our democracy.

The physical, mental, and financial repercussions of these events, took a toll on all of us. Parents were tasked with working remotely while also helping their children with virtual education initiatives; first responders were overwhelmed caring for our most vulnerable and ill citizens; businesses had to quickly pivot to protect their employees and their customers; and friends and family were unable to gather to celebrate important milestones or the loss of loved ones.

2020 in many ways felt like a series of challenges designed to divide and conquer; yet in many ways, those challenges united us in achieving common humanitarian goals for the good of our neighbors, our communities, and our nation. We may have been masked up and standing 6 feet apart, but many people across the country pitched in to donate and deliver food, to donate blood and plasma, to donate their services to the elderly and the sick, to donate their money to non-profits that were stretched to the max, and to donate their time volunteering and pitching-in wherever and whenever possible.

On a local level, our employees, who we like to call our Financial First Responders, never missed a beat. In spite of being concerned about their health and their family's safety; front-line staff continued to prioritize the needs of our members by facilitating drive-thru services, along with deploying the Mobile Branch Unit, which rotated daily among branches that had no drive-thru lanes. Some of our masked staff stood in parking lots to help control traffic, to educate members on digital options, and to thank members for continuing to support Sun East. We were very proud and thankful for the way our staff and our members abided by COVID-19 protocols while interacting at our drive-thru lanes, Mobile Branch Unit, and ATMs.

Our back-office staff adapted quickly to working remote while proactively reaching out to members to see how Sun East could help in their hour of need. Members adversely impacted by COVID-19 through illness, job loss, or reduction in hours; were offered special loan payment deferrals, no-fee skip-a-pay on Auto and Personal Loans, and an extremely low-rate member assistance loan with extended repayment terms.

To keep members safe and minimize their risk of exposure, Sun East sent frequent reminders on how to access digital banking options from home to apply for loans, pay bills, open new accounts, deposit checks, transfer funds, and check balances from any desktop, laptop, tablet, or smart phone.

We continued to purchase signage and materials from local print vendors; we specifically reached out to our Select Employer Groups in the food service industry to make food purchases locally; and we donated 1,000 pieces of PPE (personal protective equipment) directly to healthcare providers in the immediate areas surrounding our branches.

These initiatives, as well as the ones noted below, are just a small sampling of how we put the credit union philosophy of "People Helping People" into action in 2020.

- Produced double digit loan, share, and asset growth while maintaining a strong net worth ratio.
- Helped over 100 local, small businesses get funding in excess of \$5,000,000 through Paycheck Protection Program (PPP) loans; aimed at keeping employees on the payroll and doors open.
- Transitioned our debit and credit card provider to give members a more robust rewards program, easier to read statements, and enhanced digital security and payment options.



**Thomas Crawford,  
Chairman**



**Michael J. Kaczinski,  
President & CEO**

- Improved the online account opening and funding process for savings, checking, money market, and share certificates.
- Served over 1,000 members through the SERIS (Sun East Retirement & Investment Services) program with over \$114 million in assets under management.
- Supported and educated members on the temporary suspension of the Fed's RegD limit of six transfers/withdrawals per month from a savings or money marketing account; which has since become permanent and now allows members more flexibility in accessing their funds on a permanent basis.
- Focused on building an expanded menu of options to serve the needs of commercial businesses such as vehicle and equipment loans, real-estate financing, credit cards, operating capital lines of credit, merchant services, and more.
- Protected over 890 members against unexpected life events with optional Loan Shield Coverage, which may cancel their eligible loan balances or payments in the event of involuntary unemployment, death, or disability.
- Shifted from in-person financial education for members to online webinar options covering topics such as Home Ownership, Debit Consolidation, Women & Investing, Social Security & Your Retirement, Understanding Medicare, Rollover Planning, and How to Weather a Bear Market.
- Sponsored community outreach initiatives such as the Delaware Literacy Council's first-ever, Literacy is Essential, virtual telethon; the Delaware County Interfaith Food Assistance Network serving food pantries throughout Delaware County; the Philadelphia Union Foundation's Virtual Fundraiser benefitting Fight for Philly's COVID-19 relief efforts; and plus our very own Best Teacher Under the Sun Awards and scholarships.
- Joined our fellow PA Credit Unions to collectively raise over \$220,000 to purchase 30,000 units of PPE that went to medical first responders across the region.
- Lead by our SERVICE Team, staff contributed over \$13,000 to support 4 local recipients in need of assistance, and they also donated, wrapped, and stuffed an SUV full of gifts they delivered to Cades; a local organization benefitting children and adults with intellectual and physical disabilities.

These achievements are a testament to the loyalty and trust our members placed in us as well as our staff's desire to exceed members' expectations. I would like to thank our President and CEO, and the Senior Management Team for their engagement and calm leadership in these uncertain times; and to my fellow board members for their volunteer service and always putting the members' interests ahead of their own; and to our staff, particularly those on the front lines who, in the face of unprecedented challenges, continued to deliver a positive and safe, member experience.

While the full economic impact of the pandemic has yet to be realized; we're fully focused on the work that lies ahead. That includes providing small businesses with the financial support they need to ramp back up to full capacity; and whenever possible, purchasing goods and services locally. Guiding and educating members on how to recover from a financial setback they may have endured, while looking at the whole picture instead of a snapshot. Keeping our facilities, employees, and members safe from potential exposure by continuing to adhere to CDC protocols during all interactions. Providing ongoing training and internal growth opportunities to reward and retain talent; thereby ensuring our members receive top-notch service from well-versed, knowledgeable and happy employees. Reaching out to our Select Employer Groups and our non-profit partners to see where we can be of service to them from a time, resource, and/or monetary perspective. Consulting with members and employers to strengthen their retirement and investment portfolios; and to ensure they reap the rewards of their hard work.


Most of all, we remain committed to delivering strong, balanced growth while creating value for our members through the following initiatives in 2021:

- Learning from the service-related lessons brought on by the recent health crisis and implementing communication options that put the members' needs first:
  - Call Back scheduling during peak hours so members can continue with their daily tasks while still reserving the ability to speak with a representative.
  - Live Chat so members get the online support they need, the instant they need it.
- Leveraging our digital technologies to expand access to low-cost financial transactions and payment resources like external transfers and person to person payments.

- Improving access and ease of borrowing funds through enhanced, personalized online options.
- Exploring new product offerings for consumers and businesses that are affordable, beneficial, and convenient.
- Continuing to maintain a strong capital position in order to provide the greatest member value.
- Investing in ongoing training programs to ensure that we're hiring and maintaining the best employees, capable of assisting members on their financial journeys; from childhood to retirement.
- Celebrating the 10th Anniversary of Sun East Foundation, the charitable arm of Sun East Federal Credit Union; by rewarding one local non-profit organization with \$1,000 each month over a 10-month span, to help meet the humanitarian needs of local communities.
- Providing easily accessible, virtual webinar options for a variety of financial education topics.
- Continually improving our social media channels so that members and potential members find them both educational and engaging.
- Evaluating the Sun East brand and what it means both locally and regionally; and taking any necessary steps to elevate it in the minds of potential members.
- Exploring the viability of branch expansion as well as branch delivery channels such as ITMs.
- Utilizing multi-channel notification for fraud and dispute claim notifications to members.
- Prioritizing cybersecurity and information security to protect members through mitigation of fraud and identity theft.

We entered 2021 with a robust balance sheet, deeply-loyal member relationships, a passion for giving back to those in need, and a commitment to providing heroic service to everyone in our communities. I am confident that we will continue to deliver on these promises going forward, for the benefit and betterment of all. I would like to thank our staff, our Supervisory Committee, and our volunteer board of directors for going above and beyond during a significant year of change. And to our members, I hope 2021 is a year of great prosperity, health, and hope.

Thank you for giving us the opportunity to be part of your financial journey; it's our privilege to serve you!



Thomas Crawford, Chairman of the Board



Michael J. Kaczynski, President & CEO

## Supervisory Committee Chairman's Report

**Quality means doing it right when no one is looking.**

— Henry Ford

Sun East Federal Credit Union is examined annually by the NCUA to assure it is meeting strict federal guidelines. RKL LLP, a locally recognized Public Accounting and Auditing firm, also audited the Credit Union's Financials for the period January 1, 2020 through December 31, 2020. In their opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Sun East Federal Credit Union and the results of their operations and their cash flows for the years then ended, in accordance with generally accepted accounting principles.

Also, in 2020, we worked with Accume Partners as our internal auditor to further assure that Sun East followed and met all of the Credit Union's policies and procedures. The results of these audits continue to prove that your Credit Union is well managed, financially strong, and operating under the highest of standards.



**Jack Crawford**  
Committee Chairman

# Statement of Income

STATEMENT OF INCOME	2019	2020
<b>INTEREST INCOME</b>		
Loans	22,504,551	25,464,622
Securities and Deposits in other FIs	2,431,477	1,280,073
<b>Total Interest Income</b>	<u>24,936,028</u>	<u>26,744,695</u>
<b>INTEREST EXPENSE</b>		
Member Deposits	6,164,020	6,348,910
Borrowed Funds	1	-
<b>Total Interest Expense</b>	<u>6,164,021</u>	<u>6,348,910</u>
<b>Net Interest Income</b>	<u>18,772,007</u>	<u>20,395,785</u>
<b>PROVISION FOR LOAN LOSSES</b>	2,083,385	3,685,816
<b>Net Interest Income After Provision for Loan Losses</b>	<u>16,688,622</u>	<u>16,709,696</u>
<b>NON-INTEREST INCOME</b>		
Service Charges and Fees	5,334,187	4,102,491
Gain (Loss) on Investments, Net	-	-
Other Non-Interest Income	4,446,941	4,807,933
<b>Total Non-Interest Income</b>	<u>9,781,128</u>	<u>8,910,424</u>
<b>NON-INTEREST EXPENSE</b>		
Employee Compensation and Benefits	10,385,307	11,707,289
Office Operations	8,406,162	8,794,229
Office Occupancy	1,628,990	1,524,343
Other	730,325	(399,341)
<b>Total Non-Interest Expense</b>	<u>21,150,784</u>	<u>21,626,520</u>
<b>NET INCOME (LOSS)</b>	<u>5,318,966</u>	<u>3,993,873</u>

# Statement of Financial Condition

STATEMENT OF FINANCIAL CONDITION	2019	2020
<b>ASSETS</b>		
Cash and Cash Equivalent	53,218,256	50,057,430
Deposits in other FIs	269,275	201,425
Certificates in other FIs	1,495,000	498,000
Investment Securities	5,266,783	23,382,965
Prefund\CDA Investments	2,354,254	2,493,324
Other Investments	5,936,936	6,612,951
Loans, Net	549,056,173	605,812,140
Property and Equipment	8,608,710	7,991,165
NCUSIF Deposit	5,463,141	6,423,765
Other Assets	34,055,332	40,965,825
<b>Total Assets</b>	<u>665,723,860</u>	<u>744,438,990</u>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
Members' Accounts	611,977,115	686,917,099
Notes Payable	-	-
Accrued Expenses and Other Liabilities	3,993,147	3,809,279
<b>Total Liabilities</b>	<u>615,970,262</u>	<u>690,726,378</u>
Regular Reserve	11,798,177	11,798,177
Undivided Earnings	41,580,942	45,574,815
Accumulated Other Comprehensive Income	(3,625,521)	(3,660,380)
<b>Total Members' Equity</b>	<u>49,753,598</u>	<u>53,712,612</u>
<b>Total Liabilities and Members' Equity</b>	<u>665,723,860</u>	<u>744,438,990</u>

“We are **heroes** in each and every member, employee and community interaction undertaken as we will build relationships that create lasting legacies, one person at a time.”

- Sun East Mission Statement



*Putting People Helping  
People Into Action!*



**ICEWORKS**

"In these uncertain times the loan department dedicated their time and effort to the process, from beginning to end. IceWorks appreciates the long time relationship with our neighbors at Sun East."

*-Anthony Larissa  
IceWorks*

**DELFERA**  
HEATING & COOLING  
*The Company that Cares!*

"We couldn't be happier having Sun East Federal Credit Union as our bank and for their immediate assistance and quick completion of the entire SBA Loan process."

*-Raymond J. Delfera  
Delfera Heating & Cooling, Co.*

**Pristine OFF-LEASE**

"I am very grateful for our relationship over the years and appreciate them now more than ever!"

*-William R. Trzcinski, Jr.  
Pristine Off-Lease*



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Follow us on @SunEastFCU



Deposits Insured Up to \$500,000, \$250,000 by the National Credit Union Administration, a U.S. Government Agency, and \$250,000 by ESI, a licensed property and casualty insurer. ESI is not a government agency.