

# Better Together 2021

Sun East employees and volunteers gave their time and talent to Variety Philadelphia's Holiday Lane Cabin Decorating charity event, raising more than **\$21,000** to enrich the lives of children and young adults with disabilities.





# Message from the Chairman and the CEO

**"Community is much more than belonging to something; it's about doing something together that makes belonging special." — Brian Solis**



Thomas Crawford,  
Chairman



Michael J. Kaczynski,  
President & CEO

Belonging to a financial cooperative like Sun East is unique because it brings neighbors, friends, relatives, employers, and community supporters together for the financial well-being of all. This is a special relationship that the staff, leadership, and volunteers of the credit union never take for granted; we remain dedicated and driven to bettering the lives of all members during good times and challenging times, like those we've faced over the past two years.

Whether it's in our lobbies, drive-throughs, ATMs, or call center, our goal each day is to deliver an extraordinary experience for every member, no matter their story or situation. Our team members continue to focus on and employ this common purpose with the professionalism and enthusiasm our members deserve.

While digital services helped keep many credit union members safe during the first wave of the pandemic, most members have come to consider digital financial services to be a necessity, rather than a convenience. In the same way, the shift to remote work, also helped keep credit union employees safe while still maintaining an extremely high-level of productivity.

These shifts, which started in 2020 but continued through 2021, ensured that our members, and our staff, had the necessary financial tools and support in place to navigate the economic impact of the crisis.

The following accomplishments are just a small sample of what the Sun East team of essential workers were able to navigate during 2021:

- Extended member-relief programs in the form of low-rate loans, and loan payment modifications to those adversely impacted by COVID-19.
- Participated in Round 2 of the PPP Loan Program Round, producing over 66 loans and \$3.4 million for small businesses in our local communities.



Back-to-School  
Backpack Giveaway with Terri Lannon  
and Representative Mike Zabel

- Achieved all loan, share, and asset growth expectations while maintaining a strong net worth ratio; thereby allowing Sun East to facilitate technology enhancements, product and service improvements, virtual webinars and videos on financial topics, and extensive community outreach initiatives.
- The Sun East Retirement and Investment Services team conducted 800 consultations to help members re-evaluate their investment position during an uncertain economic period and continues oversight of \$121 million in assets under management.
- Multiple legacy systems throughout the credit union were replaced, such as enhancing the phone system capacity to handle increased call volume and address member concerns in a timely manner. A more streamlined, online mortgage application was deployed to improve the user experience, new printers were provided at each branch to ensure members can obtain instant-issue cards, older branch ATMs were replaced with new ITMs for increased availability, and older drive-through equipment was replaced at the Aston branch.
- Several new initiatives to protect the security of member data and account access were implemented, such as increased authentication during the initial online banking account login, and the introduction of the SecurLOCK™ Equip app which allows members to freeze their cards, get card alerts, or determine where their cards can be used, right from their smart phone.

While these initiatives illustrate the depth of our commitment to members, we're also committed to being present, active, and involved in the communities we serve. I'm very proud to report that in 2021, Sun East employees, led by our SERVICE team, raised over \$15,000 for 4 local citizens in need. And, as the pandemic raged on, many non-profits were stretched to the limit, so in honor of the Sun East Foundation's 10th anniversary, the Foundation awarded a total of \$10,000 to 10 deserving community groups over 10 months.

I'd like to thank the members, staff, and volunteers for their contributions and leadership during a tough year; while we faced many obstacles, I'm pleased to say the credit union spirit of working together for the benefit of all, remains alive and well.

*Thomas Crawford*



**Teachers Teammates  
Raelyn & Terri Lannon**



As we move forward in 2022, it's important that we take time to celebrate our achievements, while also recognizing that each success is a testament to the collaboration among our team members, leaders, and volunteers. Every member has a voice and is essential in keeping Sun East one of this area's leading financial institutions.

With a clear vision and values that were created from the ground up, we have positioned our credit union to be a leader among financial institutions, thanks to the loyalty and trust of our members, the talent and dedication of our employees, the guidance and leadership of our volunteers, and the understanding that we all share a set of common goals.

One of those goals is to bring cutting edge technology to our members without sacrificing what we do best - personal service. In 2022, our ITMs will transition to PTMs (Personal Teller Machines) to provide a high-tech, secure experience that also delivers that face-to-face connection at the touch of a button.

To meet the needs of a constantly changing online experience, we'll be redesigning our website from top to bottom with the goal of providing our members with easier ways to access finances, more resources to help plan a solid financial future, preapproved borrowing options, and financial empowerment tools.

The impending deployment of live chat and video will fulfill a goal of offering members an additional communications stream at their fingertips for instant help with account issues, product or service questions, or any type of assistance that may be needed.

As consumer preferences evolve with technological changes, our strategy remains consistent; deliver an extraordinary experience across all customer touchpoints and establish strong brand awareness.

As a financial services provider, we devote considerable resources to developing the Sun East brand. This is done through design strategy, marketing, merchandising, and delivery through our member-facing channels, as well as through public relations activities, social media and community-based events and initiatives. Sun East is focused on connecting with our existing and prospective members, and our communities in fresh and engaging ways.

**Toys For Tots  
Toy Drive**



I'm proud to say, we faced the challenges of the pandemic together and showed our grit and resilience as we found new ways to improve the lives of others. We will continue to find additional opportunities to deliver convenient and alternate service channels that meet our members' needs.

I'd like to thank our Board and Supervisory Committee for their support, dedication, and service to Sun East. Our Board of Directors consists of volunteers who manage the direction of the credit union by applying their business and technical skills. It is a great honor for me to work side by side with these volunteers. I'd like to thank our staff for their hard work and devotion to our members. Their support for one another and our members is what will keep Sun East strong for generations to come.

Many things about the year ahead remain uncertain, but as our 2021 performance indicates, we can weather any storm together. We'll continue to work hard every day to earn the trust our members have placed in us and we appreciate the privilege to serve!

*Michael J. Kazan*



**Sun East Volunteers  
at CHOP's Karabots  
Community Garden**

# Supervisory Committee Chairman's Report

Jack Crawford  
Committee Chairman



**"There are no secrets to success. It is the result of preparation, hard work and learning from failure." – Colin Powell**

Sun East Federal Credit Union is examined by the National Credit Union Administration 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, 2021 through December 31, 2021. 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 year then ended, in accordance with generally accepted accounting principles.

Also in 2021, 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.

## With Gratitude to John Rim and George King

**Recognizing John Rim and George King in honor of their dedication and leadership, which has shepherded the Credit Union through a period of unprecedented growth and innovation**



John Rim



George King

**John Rim** served on the Supervisory Committee from 1995 to 2001. He served as Secretary from 1998 to 1999. He was then appointed to the Board of Directors in 2000 to fill out the term of Arnold Price, who passed away in September of 2000. He has served as a Pension Fund Trustee since 2000. He was nominated to Treasurer of the Board of Directors to replace Torpey White, who stepped down in 2014. John retired from the Board in 2020.

**George King** served on the Credit Committee from 1989 to 1992 and on the Supervisory Committee in 1992. He was appointed to the Board of Directors in 1993 to fill out the term of Joseph Black who passed away in July of 1993. He has served on Various Standing Committees (Annual Meeting Committee from 1994 to 1999, Building Committee from 1994 to 1995 and from 1998 to 1999, Compensation Committee from 1998 to 1999, Loan Review Committee from 1995 to 1999, Nominating Committee from 1995 to 1996 and from 1998 to 1999, Planning Session Committee from 1996 to 2001, and Systems Committee from 1997 to 1998). George retired from the Board in 2020.

**"The Sun East team owes John and George our gratitude and thanks for their leadership and dedication. We wish them well!" – Thomas Crawford, Chairman**



# Statement of Income

	<b>2020</b>	<b>2021</b>
<b>Interest Income</b>		
Loans	25,464,622	26,646,364
Securities & Deposits in other FIs	1,280,073	954,269
<b>Total Interest Income</b>	<b>26,744,695</b>	<b>27,600,633</b>
<b>Interest Expense</b>		
Members Deposits	6,348,910	2,961,553
Borrowed funds	-	-
<b>Total Interest Expense</b>	<b>6,348,910</b>	<b>2,961,553</b>
<b>Net Interest Income</b>	<b>20,395,785</b>	<b>24,639,080</b>
Provision for Loan Losses	3,685,816	2,706,813
<b>Net Interest Income After Provision for Loan Losses</b>	<b>16,709,969</b>	<b>21,932,267</b>
Service Charges & Fees	4,102,491	4,083,524
Gain (Loss) on Investments, Net	-	-
Other Non-Interest Income	4,807,933	5,514,453
<b>Total Non-Interest Income</b>	<b>8,910,424</b>	<b>9,597,977</b>
Employee Compensation & Benefits	11,707,289	12,499,054
Office Operations	8,794,229	10,005,220
Office Occupancy	1,524,343	1,504,396
Other	399,341	86,987
<b>Total Non-Interest Expense</b>	<b>21,626,520</b>	<b>24,095,657</b>
<b>Net Income (Loss)</b>	<b>3,993,873</b>	<b>7,434,587</b>

# Statement of Financial Condition

<b>Assets</b>	<b>2020</b>	<b>2021</b>
Cash and Cash Equivalent	50,057,430	57,809,301
Deposits in other FIs	201,425	141,590
Certificates in other FIs	498,000	-
Investment Securities	23,382,965	20,981,099
Prefund/CDA Investments	2,493,324	2,460,380
Other Investments	6,612,951	7,097,567
Loans, Net	605,812,140	660,751,781
Property and Equipment	7,991,165	7,820,214
NCUSIF Deposit	6,423,765	6,517,487
Other Assets	40,965,825	42,242,457
<b>Total Assets</b>	<b>744,438,990</b>	<b>805,821,876</b>

  

<b>Liabilities &amp; Members' Equity</b>	<b>2020</b>	<b>2021</b>
Members' Accounts	686,917,099	737,631,274
Notes Payable	-	-
Accrued Expenses & Other Liabilities	3,809,279	6,519,123
<b>Total Liabilities</b>	<b>690,726,378</b>	<b>744,150,397</b>
Regular Reserve	11,798,177	11,798,177
Undivided Earnings	45,574,815	53,009,402
Accumulated Other Comprehensive Income	(3,660,380)	(3,136,100)
<b>Total Members' Equity</b>	<b>53,712,612</b>	<b>61,671,479</b>
<b>Total Liabilities &amp; Members' Equity</b>	<b>744,438,990</b>	<b>805,821,876</b>



# PHILABUNDANCE

NO IDLING  
DIESEL-POWERED  
VEHICLES OVER  
5 TONS

PHILABUNDANCE  
PARKING  
ONLY



Sun East and Local Credit Unions Fight to End Food Insecurity with Philabundance



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