

2023 ANNUAL REPORT

Paying it Forward



Message from the Chairman and the CEO

"We make a living by what we get; we make a life by what we give." – Winston Churchill



Thomas Crawford,
Chairman



Michael J. Kaczynski,
President & CEO

The "credit union difference" is described as being a community-focused cooperative dedicated to the well-being of all, and is demonstrated daily by our staff, leadership, volunteers, and charitable partners. Our not-for-profit status means that we re-invest our earnings after operating expenses back into our cooperative, offering competitive rates, meaningful products and services, and value-added benefits. Our purpose-driven mission ensures that we pay it forward through our actions, focus, and personalized service to our members and community at large. We never lose sight of our singular objective of helping our members achieve their life goals during good times and providing reassurance through challenging times.

We strive to deliver an extraordinary experience no matter how our members choose to interact with us – online, mobile, in person, ATM, via phone, or automated service. Our continued investment in tools, technology, and resources further our members' ability to bank anywhere, anytime.

Although 2022 delivered a multitude of challenges, the Sun East team persevered, accomplishing much to improve existing services and introduce new resources to our members. Here is just a sampling of what Sun East achieved in 2022...

- Expanded the Call Center team, cutting call wait times significantly – providing more efficient service to our members.
- Introduced personalized pre-approved offers to members via online banking and the mobile app – reducing the turn-time to fund the loan.
- Implemented near "real-time" alerts on account activity – providing members with more readily available information on their transactions.
- Continued improvements to protect and monitor the security of member data and account access.



- Implemented Chat, so our members can access information to common questions and issues quickly, regardless of their location or time of day.
- Introduced new mortgage products - providing more access to home financing in a volatile rate environment.
- Completed Phase I of an in-depth evaluation of the Sun East branch network, and opportunities for future growth.
- Achieved loan and asset growth expectations while maintaining a strong net worth ratio; allowing Sun East to invest in technology enhancements, product and service improvements, virtual webinars and informational videos, and extensive community outreach initiatives.
- The Sun East Retirement and Investment Services team conducted 811 consultations to help members re-evaluate their investment position and continued oversight of \$144.5 million in assets under management.

In addition to all that Sun East accomplished to support our member experience, we showed our commitment to our local communities – through volunteerism, altruism, and leadership. I am honored to share that Sun East employees, led by the SERVICE team, raised, and awarded over \$12,000 to four local residents in need. Sun East and the Sun East Foundation partnered to run a Holiday Giving campaign, spotlighting three charitable partners who received over 140 items on their wish lists to help their beneficiaries; and Sun East, along with the Sun East Foundation awarded grants to 33 organizations and contributed over \$130,000 to the communities we serve.

Thank you to the members, staff, and volunteers for your contributions and leadership during an unprecedented and challenging year. I'm proud to say the credit union's tenacious spirit of working together for the benefit of all, remains alive and well.

Thomas Crawford



Upper Chichester Library
Name and Name

As we move forward in 2023, let's not lose sight of all we accomplished in 2022 and acknowledge that each success is a result of the collaboration between our team members, leaders, and volunteers. Every member is a stakeholder and essential to keeping Sun East one of this area's leading financial institutions.

Our clear purpose and values are simple and straightforward. They provide the foundation for our credit union and guide what is best for the member. The loyalty and trust of our members, our employees' talent and dedication, and our volunteers' guidance and leadership are a testament to the validity of these tenets.

We have much to tackle in 2023 - projects that will reinforce our common goal of delivering an extraordinary experience every time...

We will begin the process to implement a Member Relationship Management platform that will enhance our member relationships, providing us the ability to deliver more personalized service and track all customer touchpoints.

We will enhance our core technology support systems, establishing even more safety measures to provide immediate platform redundancy in the case of an unforeseen emergency.

We are exploring platforms that will deliver more features and resources for our members to bank efficiently, safely, and quickly - anytime, anywhere.

We are going to complete the initial phase of making our services more convenient to our members by converting our existing ATMs to ITMs and adding Video Chat and appointment scheduling features to our website and Internet banking.

We will continue to develop and solidify the Sun East brand through design strategy, marketing, a multi-channelled presence, website enhancements, merchandising, 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.



I never cease to be amazed by our tenacity and resourcefulness to weather trying times and positively influence the lives of others. Rest assured that we will uncover new ways to deliver service through multiple channels to meet our members' needs.

Thank you to 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 utilizing their business and technical skills. It is a great honor for me to work side by side with these volunteers.

Thank you to 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.

2023 may prove to be challenging, but as our 2022 performance indicates, we will persevere together and exit stronger. We'll continue to work hard every day to maintain the trust our members have placed in us and we truly appreciate the privilege to serve!



**Sun East Volunteers
at CRC Watersheds**

ABC
Supply Co. Inc.
EXTON

Supervisory Committee Chairman's Report

T. Lad Webb
Committee Chairman



*"A life of significance is about serving those who need your gifts,
your leadership, your purpose." - Kevin Hall*

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, 2022 through December 31, 2022. 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 2022, 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.



Statement of Income

Interest Income

	2021	2022
Loans	26,646,364	30,803,643
Securities & Deposits in other FIs	954,269	1,323,873
Total Interest Income	27,600,633	32,127,516

Interest Expense

	2021	2022
Members Deposits	2,961,553	4,166,577
Borrowed funds	-	184,984
Total Interest Expense	2,961,553	4,351,561
Net Interest Income	24,639,080	27,775,955
Provision for Loan Losses	2,706,813	2,896,761
Net Interest Income After Provision for Loan Losses	21,932,267	24,879,194

Non-Interest Income

	2021	2022
Service Charges & Fees	4,083,524	4,845,281
Gain (Loss) on Investments, Net	-	-
Other Non-Interest Income	6,397,433	8,210,211
Total Non-Interest Income	10,480,957	13,055,492

Non-Interest Expense

	2021	2022
Employee Compensation & Benefits	12,499,054	14,043,513
Office Operations	10,005,220	11,664,847
Office Occupancy	1,504,396	1,468,173
Other	969,967	1,655,552
Total Non-Interest Expense	24,978,637	28,832,085
Net Income (Loss)	7,434,587	9,102,601

Statement of Financial Condition

Assets	2021	2022
Cash and Cash Equivalent	57,809,301	46,665,869
Deposits in other FIs	141,590	364,781
Certificates in other FIs	-	-
Investment Securities	20,981,099	15,800,447
Prefund/CDA Investments	2,460,380	2,109,618
Other Investments	7,097,567	6,595,118
Loans, Net	660,751,781	744,366,014
Property and Equipment	7,820,214	9,474,295
NCUSIF Deposit	6,517,487	6,763,623
Other Assets	42,242,457	45,518,815
Total Assets	805,821,876	877,658,580

Liabilities & Members' Equity	2021	2022
Members' Accounts	737,631,274	803,834,498
Notes Payable	-	-
Accrued Expenses & Other Liabilities	6,519,123	7,463,353
Total Liabilities	744,150,397	811,297,851
Regular Reserve	11,798,177	11,798,177
Undivided Earnings	53,009,402	62,112,002
Accumulated Other Comprehensive Income	(3,136,100)	(7,549,450)
Total Members' Equity	61,671,479	66,360,729
Total Liabilities & Members' Equity	805,821,876	877,658,580

"I was happy to participate in Sun East's Holiday Giving Campaign. In the spirit of Christmas, I wanted to give gifts to underprivileged children and seniors in need. It was so easy to order on Amazon and have it delivered to Sun East. I liked knowing where the gifts were going! Thank you Sun East for making Christmas so special for all!"

*- First Place Sweepstakes Winner,
Lauren Lupi*

