

# 2023 ANNUAL REPORT

Rising Above. **Going Beyond.**



# Message from the Chairman and the CEO



Thomas Crawford,  
Chairman



Michael J. Kaczenski,  
CEO

Sun East exists to turn your dreams into reality, and we do that by Rising Above and Going Beyond. This people-first philosophy separates Sun East from other financial institutions and it's the main reason we're able to celebrate our 75th year of service to our members in 2024!

Just as long-term fiscal responsibility is critical to our operating success, social responsibility is critical to our human success. The pride we take in providing members with solutions that fuel their personal dreams is the same pride we take in supporting numerous community outreach initiatives that improve the quality of life for all citizens in the communities where we live and work. Whether saving for your first car, purchasing a new deck, or planning for an active retirement, credit unions focus on providing value and enduring relationships. Throughout the Credit Union Movement, our focus has always centered on asking how we can help.

When we reviewed 2023, we were struck by the dichotomy of a year with major goals and objectives accomplished and then disappointing financial results. When you add to that an overheated economy with high rates and continued inflation, you get a tough business cycle. 2023 was a year of controlled deposit, loan and asset growth, significant improvements in technology and infrastructure, enhanced branch and call center service levels, and volunteer initiatives. The dwindling money supply and interest rates were significant factors we battled throughout the year. They played a major role in planning, pricing, decision making, and which goals to continue to work on. Knowing this, we were pleased that Capital ended the year at \$70.5 million with a Net Worth Ratio of 8.31%. This ratio is our North Star. It is the most important financial measure that we use when making decisions.

As we reflect on these collective ups and downs, we know none of it would have been possible without our members' loyalty, trust, and support, or without the time and oversight our volunteer board of directors and volunteer committees provide, or without the talent, expertise, and dedication of our employees.

Our goal is to never take any relationship for granted and to make it easier for you to continue doing business with us. As we celebrate 75 years of bringing you the financial products and services that help you build wealth and make everyday dreams a reality, here's a glimpse of how



**Michael Kaczenski with members during  
Aston's Community Day Event**

we'll continue to meet and exceed your expectations in the coming year:


- Improve the ease of online account opening and the speed of loan processing through an enhanced loan operating system.
- Ensure that competitive loan and deposit rates, plus exceptional member service, position Sun East as an institution of choice in attracting new members and retaining existing members.
- Increase financial literacy, wealth-building knowledge, and overall brand familiarity through use of social and digital channels, video product tutorials, awareness campaigns, and free educational seminars.
- Continually enhance software and system partnerships that allow management to make sound decisions for the future of the organization and the well-being of its members.
- Expand the reach of our Auto Leasing program to expand borrowing options to more communities.
- While a majority of members have gravitated to digital options, there is and always will be a segment of our membership that prefers a face-to-face experience; therefore, we'll continue to invest in our existing brick and mortar locations while also researching opportunities for new locations.
- Continue to support, sponsor, and participate in local community outreach initiatives.

We know there's a great deal of work ahead to remain effective and agile in the face of rapid change; we also know our main focus must remain on our members, our communities, and our colleagues. After all, it's that focus, coupled with your trust and belief in Sun East, that has sustained our growth over the past 75 years and will propel us to even greater heights over the next 75 years.

The staff and volunteers at Sun East are dedicated to building relationships that empower a lifetime of personal and financial well-being. We strive daily to carry that out through our member-focused approach – whether improving mobile or online account access, finding a way for young adults to afford their first homes, assisting families in purchasing a new car, or fulfilling the dream of expanding a business.

Thank you for giving us the chance to help you meet your financial aspirations; it's our privilege to serve you!

Thomas Crawford, Chairman of the Board



Michael J. Kaczynski, CEO



# Supervisory Committee Chairman's Report

Mark Plyler,  
Supervisory Committee Vice-Chairman



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 of January 1, 2023 through December 31, 2023. 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 2023, we worked with Cherry Bekaert 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.



**Bicycle winners from  
Aston's Community Day Event**

# Statement of Income

## Interest Income

	2022	2023
Loans	30,803,643	38,076,477
Securities & Deposits in other FIs	1,323,873	1,640,229
<b>Total Interest Income</b>	<b>32,127,516</b>	<b>39,716,706</b>

## Interest Expense

	2022	2023
Members Deposits	4,166,577	11,649,309
Borrowed funds	184,984	1,082,019
<b>Total Interest Expense</b>	<b>4,351,561</b>	<b>12,731,328</b>
<b>Net Interest Income</b>	<b>27,775,955</b>	<b>26,985,378</b>
<b>Provision for Loan Losses</b>	<b>2,896,761</b>	<b>6,148,360</b>
Net Interest Income After Provision for Loan Losses	24,879,194	20,837,018

## Non-Interest Income

	2022	2023
Service Charges & Fees	4,845,281	4,887,350
Gain (Loss) on Investments, Net	-	-
Other Non-Interest Income	8,210,211	4,224,362
<b>Total Non-Interest Income</b>	<b>13,055,492</b>	<b>9,111,712</b>

## Non-Interest Expense

	2022	2023
Employee Compensation & Benefits	14,043,513	15,812,297
Office Operations	11,664,847	12,313,215
Office Occupancy	1,468,173	1,419,613
Other	1,655,552	1,624,234
<b>Total Non-Interest Expense</b>	<b>28,832,085</b>	<b>31,169,359</b>
<b>Net Income (Loss)</b>	<b>9,102,601</b>	<b>(1,220,628)</b>

# Statement of Financial Condition

<b>Assets</b>	<b>2022</b>	<b>2023</b>
Cash and Cash Equivalent	46,665,869	20,704,224
Deposits in other FIs	364,781	139,123
Certificates in other FIs	-	-
Investment Securities	15,800,447	14,775,657
Prefund/CDA Investments	2,109,618	4,271,455
Other Investments	6,595,118	5,136,588
Loans, Net	744,366,014	741,497,538
Property and Equipment	9,474,295	9,284,690
NCUSIF Deposit	6,763,623	7,170,036
Other Assets	45,518,815	45,681,250
<b>Total Assets</b>	<b>877,658,580</b>	<b>848,660,560</b>

<b>Liabilities &amp; Members' Equity</b>	<b>2022</b>	<b>2023</b>
Members' Accounts	803,834,498	762,492,011
Notes Payable	-	-
Accrued Expenses & Other Liabilities	7,463,353	21,577,574
<b>Total Liabilities</b>	<b>811,297,851</b>	<b>784,069,585</b>
Regular Reserve	11,798,177	-
Undivided Earnings	62,112,002	70,525,539
Accumulated Other Comprehensive Income	(7,549,450)	(5,934,563)
<b>Total Members' Equity</b>	<b>66,360,729</b>	<b>64,590,976</b>
<b>Total Liabilities &amp; Members' Equity</b>	<b>877,658,580</b>	<b>848,660,560</b>





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