



2015
ANNUAL
REPORT

Living the Values ♦ *Life's Journey*



Sun
FEDERAL
People Caring About People

PRESIDENT'S REPORT



Living the Values ♦ Life's Journey

It's that time of year...a time to reflect on the past year and celebrate the credit union's continued success! It's such a wonderful feeling to know that the credit union has thrived as a direct result of our members' prosperity. As a financial cooperative, we operate and live by a set of values that transcends the typical banking model that places sales and profits ahead of people.

Over my 37-year career with Sun Federal, and particularly in the past 28 years as your President, I've seen how impactful we can be in the daily lives of our members. Our focus has always been centered on doing life with our members and building, through their life stories, a secure relationship that grows deeper over a lifetime.

You may be wondering what the value of credit union membership is...it's being part of a bigger family – with a common bond of mutual ownership! You're part of a not-for-profit financial cooperative! It's about your life journey and how we can partner with you during every step to provide the tools you need to succeed financially. As an owner, you play a vital role in your credit union's success. By using our services – borrowing, investing, checking or whatever financial product/service you may need – you are helping all of the members, and yourself, prosper.

Mission, Purpose and Values remain at the core of every decision that we make – members are honored for their trust in and contributions to the cooperative. Thanks to their loyal participation, Sun Federal has grown from serving them out of a single location to a 10-branch network, including shared credit union branches across the country. Not to mention in today's technology-driven environment, our enhanced integration through mobile access channels ultimately makes the Sun Federal service experience both "high tech" AND "high touch."

Looking back, your participation and contributions in 2015 brought continued success and prosperity for all 31,990 Sun Federal members...

- Each member earned \$110 more in dividends*
- Members earned \$5.4 million more in financial benefits*
- Each member saved \$47 in fees*
- Each member with a loan saved \$52 in interest*

Our committed board members and staff work diligently to ensure that membership at Sun Federal always feels like family. Our people-centric culture drives us to be the best in everything we do. At Sun Federal, we are committed to providing an extraordinary experience for every member and are driven by a set of core values that are the foundation of how we embrace every day.

Over my long career with Sun Federal it has truly been wonderful to see our credit union grow and serve diverse generations of families. From my perspective, it's never been about simply "doing business," it has always been about doing life with our members – taking that journey with each member and truly helping them embrace the challenges and opportunities of each season of life.

Together we are better and stronger and living our values in how we serve each other, which truly creates the bond of relationships that last for a lifetime.

Gary Moritz



*Compared to like credit unions nationwide.

GIVING BACK



Serving the Community

by volunteering **561** hours and partnering with over **37** organizations.



Feeding the Hungry

by collecting over **1,549** lbs of food for local food banks.



Helping Tomorrow's Leaders

by awarding **\$6,500** in awards and scholarships.



Brightening the Holidays

for more than **40** families and senior citizens.

A decorative graphic featuring a central banner with the text "CHAIRMAN'S MESSAGE" in a serif font. The banner is surrounded by stylized, overlapping rectangular shapes that resemble a sunburst or a fan of papers. The entire graphic is rendered in a gold color.

CHAIRMAN'S MESSAGE



One of the most significant ways that credit unions differ from other financial institutions is the role volunteers play in the management of the credit union. At Sun Federal, your board of directors, associate directors and advisory committees are all composed of dedicated volunteers.

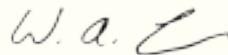
We view these three groups as “stepping stones.” Members of the advisory committees are selected from the entire credit union membership, associate directors from the advisory committees and directors by promoting associate directors. This established path guarantees the experience, skills and dedication your board of directors must have for the continued success of our credit union.

Why must we have a high-performing board? The board has overall responsibility for the credit union and is held accountable by the National Credit Union Administration (NCUA) for the credit union’s status. We are responsible for our mission, strategic direction and organizational performance. This includes working with management and holding them accountable, selecting and evaluating our CEO, along with developing and conserving our resources (financial, facilities and personnel). The board acts as an advocate for the credit union in the community around us, serving as a liaison between the credit union and its environment.

In light of the recent financial crisis, NCUA has committed to preventing a similar crisis from happening in the future, resulting in increased demands of credit union boards. The collegiate atmosphere of past boards has been replaced with the need for highly experienced, dedicated volunteers with advanced, diverse skill sets.

We are always looking for members who have a true volunteer spirit and exhibit the skills and dedication that would make them suitable for inclusion on one of our advisory committees, with a goal of perhaps one day serving on our board. If you are one of those people, please contact any volunteer or staff member. We would love to talk to you! And for you millennials, volunteer service looks good on a resume.

As always, thank you for letting me serve Sun Federal.

A handwritten signature in black ink, appearing to read "W. Carr".

Bill Carr

64TH ANNUAL MEETING MINUTES

April 25, 2015

Board Members Present

B. Carr
T. Ryan
W. Barrett
C. Gordon
J.M. Jesionowski
W.D. Lieder
L. Santaniello

Senior Managers Present

G. Moritz
M. Bourdo
B. Hughes
J. Keilholz
D. Krueger
D. Wilde

Others

E. Fiscus (*Supervisory Chair*)
M. Fryer (*Rec. Secretary*)

Brian Hughes announced the winners of the Maria Fanelli Levine Memorial Scholarship Trust as follows: First place – Evan Erik Kania, second place – Ryan Arnold, third place – Jarrett Karalfa.

Dave Wilde & Jennifer Compton announced the winners of the “Teacher of the Year” award as follows: K-8 teacher - Kaylan Phillips, Anthony Wayne; 9-12 teacher - Michael Leeds, Ottawa Hills.

Chairman Emeritus W. D. Lieder called the meeting to order at 6:30 pm. Sherry Phillips verified that a quorum, approximately 332 members, was present. Mr. Lieder indicated the minutes from the previous Annual Meeting were available on each table and a motion was brought to suspend the reading: the motion passed.

Supervisory Committee Chairman E. Fiscus reported that the fall 2014 audit was completed with satisfactory results. He announced the Board election results: Thomas W. Ryan and Sylvester Santaniello have been re-elected to the Board of Directors.

Chairman W. Carr issued the report of Chairman and welcomed members to the 64th Annual Meeting. He spoke on SFCU’s mission, volunteer spirit, and culture, recognized the volunteers present and invited G. Moritz to say a few words.

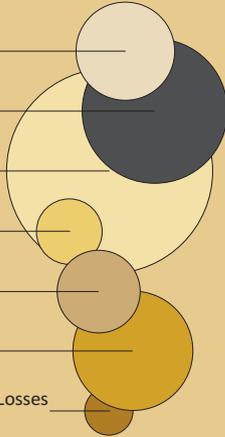
President G. Moritz addressed the membership and focused his comments on family and building relationships. He spoke of his fond memories of growing up on a front porch and told the story of how Sun Federal was started to help a founding member build a front porch. And today, Sun Federal continues to have an impact on people’s lives. Gary recognized members and asked members to stand representing their years of membership.

Chairman W. Carr gave closing comments and the meeting adjourned at 6:52 pm.

FINANCIAL CONDITION

AS OF 12/31/2015

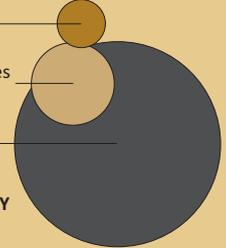
ASSETS



Consumer Loans	\$102,754,357
Real Estate Loans	\$197,068,505
Total Loans	\$299,822,862
Other Assets	\$24,174,157
Cash	\$32,192,810
Investments	\$126,440,353
Less Allowance for Loan Losses	\$1,783,974

TOTAL ASSETS
\$480,846,208

LIABILITIES AND EQUITY

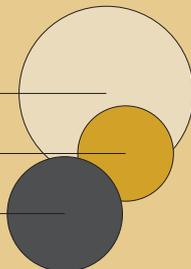


Liabilities	\$16,446,124
Members' Equity & Reserves	\$42,915,034
Member Share Deposits	\$421,485,050

TOTAL LIABILITIES & EQUITY
\$480,846,208

INCOME STATEMENT

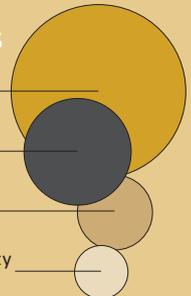
OPERATING INCOME



Income from Loans	\$14,059,174
Income from Investments	\$3,553,277
Other Income	\$4,735,653

TOTAL OPERATING INCOME
\$22,348,104

OPERATING EXPENSES



Operating Expenses	\$14,900,267
Dividends Paid to Members	\$5,174,877
Non-Operating Expenses	\$1,192,303
Contribution to Members' Equity	\$1,080,657

TOTAL OPERATING EXPENSES
\$21,267,447

31,990



MEMBERS[†]




MEMBERS
EARNED

\$5.4 MILLION

MORE IN
FINANCIAL
BENEFITS*



EACH MEMBER:



SAVED

\$47

IN FEES*



EARNED

\$110

MORE IN DIVIDENDS*



WITH A LOAN, SAVED

\$52

IN INTEREST*

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