

66 YEARS OF SERVICE

Annual Report 2018



F i l
U i o



WHAT STARTED SMALL IN 1952 IS NOW A PLACE THAT...

helps you save
helps you invest
helps you manage
helps insure what matters
helps you start a business
helps you grow a business
is mobile
is secure
is friendly
you can follow
you can recommend
finances your home
finances your vehicle
finances education
supports your community
you can count on
you belong





COMMUNICATION | RESPECT | ENTHUSIASM | ACCOUNTABILITY
TEAMWORK | EXCEPTIONAL SERVICE

THEN AND NOW

Yes, what started small 66 years ago has come a long way. To help illustrate how things have changed over the years, we asked our longest term team member, Patricia Mitas, to share memories with us from her Credit Union career that began nearly 42 years ago...

Pat started with us in 1977, back when we had no money in checking accounts because credit unions weren't allowed to offer them until 1979! By the end of 2018, the Credit Union had more than \$115 million in checking accounts, so the thought of not even having them at any point in history seems hard to fathom.

We didn't have cash either, Pat remembers. "If someone wanted to take cash out, we'd have to cut them a check and they'd go to another institution to cash it. Can you imagine? And today we offer just about every kind of account you can think of and a 30,000 plus ATM network that provides access to cash on a global scale.

Asked what single change has made the most impact, Pat does not hesitate. Computers revolutionized everything, she says.

We did things by hand. We wrote out loan applications. We did calculations on a calculator. The technology we use today has allowed for incredible efficiency and accuracy, providing members secure access to their information 24/7.

Back when Pat Mitas began her career with the Credit Union, we had less than \$20 million in assets, one branch and Pat was one of 12 employees. Today we have more than \$740 million in assets, nine branches in two states, nearly 60,000 members and 200 team members, and we make significant contributions in the communities we call home.

The Credit Union has indeed come a long way, propelled by the support of our members, our communities and our team. And we are honored to take this opportunity to recognize Pat Mitas for her nearly 42 years of dedication and service, and the indelible mark she leaves. We thank you, Pat, for all you have done – from then through now.



Report of the Chair and CEO

COMMITMENT TO SERVICE



Patrick McCloskey
Board Chair

There are two basic ways to measure success. One way, perhaps the most common, is quantitative; a judgment made on the basis of numbers. The other is qualitative, a judgment rendered on the basis of quality, a more subjective way to determine success. When measuring our own achievements, we use both – and both tell us 2018 was another great year.



Dan Rader
President/CEO

Vehicle loans were up by nearly \$28 million, which means we helped put a lot of members in the driver's seat last year. Home Equity Loans and Home Equity Lines of Credit ended the year with an increase of \$8 million. We said yes to more than \$25 million in business loans and over \$11 million in unsecured loans. In total we funded slightly more than \$185 million in loans and our mortgage company, CMF, funded more than \$95 million in first mortgage loans.

Our loan portfolio at year end was \$577.7 million, a 7.50% increase over 2017. Members have been borrowing and also depositing. We ended the year with a 5.20% increase in shares, with Savings Accounts, Certificates and IRAs all finishing higher than the prior year.

We closed out 2018 with assets of nearly three-quarters of a billion dollars. Membership is up, ending a bit shy of 60,000 SCE FCU members – and we are thankful for each and every one of them. We take pride in our stellar financial performance and in our talented team. Those three things; our members, our success, and our team are what allow us to positively impact individual lives and the communities we serve.

In 2018 we worked hard to honor our commitment to community. The Center for Financial Empowerment, the nonprofit we established in 2005 to bring financial literacy to the underserved, was selected by the State Legislature as one of California's Nonprofits of the Year for 2018. We sponsored a variety of local organizations, including the 35th annual Al Rivera Menudo Run to help raise scholarship funds for first year college students. We also teamed up with TOP Community Enrichment and the Nevada Black Police Association to bring backpacks, other school supplies and food to underserved students.

Our mission is to improve the lives of our members, our communities and our team.

Our Southern Nevada team volunteered together to pack more than 950 bags of food that Three Square distributed to seniors in need through their Meals on Wheels program. In the fall, we sponsored the Tour de Cure: Los Angeles, where our cycling team raised \$5,425 toward diabetes research. In October our Nevada team marked the one year anniversary of the Las Vegas shooting. Team members wore ribbons, created by Clark County middle school students, in memory of the 58 killed.

Our team is here to serve our members and our community. We are honored to provide fair, affordable, and competitive products, services, and tools for success. We are here to offer a level of service that is refreshing and unavailable anywhere else. We are here to elevate and empower communities and neighborhoods, which in turn helps lift us all. We are grateful for the 66 years we have been allowed to be of service. We look forward to continuing to make a difference for our members, our communities and our team.



SCE Federal Credit Union

November 1, 2018

Our riders took the streets to raise awareness for diabetes. We're honored to be a sponsor of #TourDeCureLA, and also to have raised \$5,425 as a team toward diabetes research - making us one of the top 10 company teams! Way to go #SCEFCU riders!



SCE Federal Credit Union

October 1, 2018

Today marks the one year anniversary of the Las Vegas shooting. Our Las Vegas team members are wearing ribbons created by Clark County middle schoolers, in remembrance of the 58 people whose lives were taken. If you would like a ribbon, please stop by one of our Nevada branches. They're free and available to members and non-members, while supplies last.



SCE Federal Credit Union

October 24, 2018

Our entire southern Nevada team came together to volunteer with Three Square. Through their Meals on Wheels program, our team members packed 950 bags with food to help feed local seniors in need.

See how you can get involved and make a difference.

BOARD OF DIRECTORS



Patrick McCloskey
Chair



Kenji Coleman
Vice Chair



Warren Lehmann
Financial Officer



Nancy Bond
Secretary



Chris Carter
Director



Victor Dominguez
Director



Michael Maxwell
Director

EXECUTIVE MANAGEMENT



Michelle Shelton
Chief Experience Officer

Garland Koch
Chief Financial Officer

Dan Rader
President/CEO

Kitty Hunter
Chief Lending Officer

REPORT OF THE SUPERVISORY COMMITTEE

The Supervisory Committee, a group of volunteers appointed by the Board of Directors, is primarily responsible for overseeing the overall safety and soundness of the Credit Union. The committee meets every other month with the Credit Union's internal audit team to monitor adherence to operating practices and procedures.

In addition, the committee contracted with the independent accounting firm of CliftonLarsonAllen LLP (CLA) to audit the Credit Union's records for the twelve months ending March 31, 2018. Once again, we are pleased to report the assets held by SCE FCU are safe and secure and no significant findings were reported. Furthermore, our review concludes that SCE FCU is in compliance with federal regulations and standards provided by the National Credit Union Administration (NCUA).

The Supervisory Committee congratulates the SCE FCU volunteers, managers and members on another successful year.



Michael Clearman
Member

Michael Maxwell
Director

Tim Ferreira
Chair

Kristin Marzec
Member

Kevin Nesby
Member



Center for Financial Empowerment

A YEAR OF OUTREACH

The Center for Financial Empowerment, SCE FCU's nonprofit organization, provides practical financial education to teens and young adults. We empower youth by teaching them skills for financial success, knowledge that can improve their lives for years to come.

2018 was a year of outreach – collaborating with new partners in new ways – to bring life-changing financial education to more youth.

- We joined forces with the Office of Assemblywoman Blanca Rubio, serving California's 48th District. This partnership brought our Mad City Money program to the El Monte Union High School District, and also honored us with the prestigious Nonprofit of the Year award for the district.
- A collaboration with LA County's Department of Consumer & Business Affairs and the Department of Children & Family Services culminated in a unique Mad City Money financial learning experience for young adults transitioning out of foster care.
- California Senator Connie Leyva and her staff invited us to deliver Mad City Money as the capstone activity for 165 teens attending their Young Men's Conference in Fontana, CA.
- We delivered a first-of-its-kind Mad City Money event at Basic Academy High School in Henderson, Nevada with widespread involvement from community partners, including Barclay's, MGM Resorts, and the Las Vegas Metro Police Department.

The surge of new opportunities, combined with our long-term commitment to partner with high schools and youth agencies, generated a busy and impactful year. Through 59 personal finance workshops and 12 Mad City Money events, we empowered 3,000 young adults with smart money skills. Our college scholarship program gave out \$22,500 to help nine promising students pay for secondary education.

The Center is proud of its successes, and looks forward to empowering even more youth in Southern California and Southern Nevada. Follow our progress at Center4FE.org, and see how your Credit Union is empowering youth for financial success!

Center4FE.org



SCE Federal Credit Union

December 11, 2018

The total is in!

You helped raise over \$5,000 for the Center for Financial Empowerment's #2ForTuesday for #GivingTuesday! The money will go toward financial education programs to help high school students in the communities we serve.

Congratulations and thank you!



SCE Federal Credit Union

July 23, 2018

It's a privilege to work alongside legislators like Assemblywoman Blanca E. Rubio that value our efforts to empower youth with skills for life-long financial capabilities. We're honored to be a #CalNonprofits #NonprofitOfYear!

#NonprofitPower #CaLeg



2018 FINANCIAL REPORT



Warren Lehmann
Board Financial Officer



Garland Koch
Chief Financial Officer

SEC FCU is committed to fulfilling the credit union philosophy of people helping people. We serve anyone and everyone eligible for membership. Our only goal is to help improve the lives of our members, communities and team. We are a cooperative, bound by ethical imperative to extend a hand to those individuals and communities traditionally ignored. We provide the underserved in Southern California and Southern Nevada access to education, mainstream financial products and services. We had a total membership of 55,924 at year end 2018. Through a combination of affordable financial services and comprehensive financial education, we aim to help improve the lives of our members, our communities and our team through the value we create.

SCE Credit Union is financially strong and able to meet the financial needs of our member/owners.

2018 FINANCIAL DATA

LOAN GROWTH

2018 \$577,716,811
2017 \$537,444,524
2016 \$432,946,323

2018
2017
2016



SHARE GROWTH

2018 \$609,483,413
2017 \$579,414,198
2016 \$559,308,455

2018
2017
2016



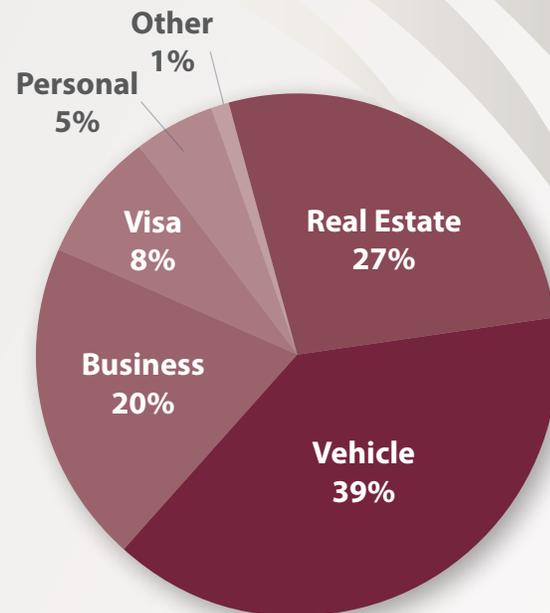
NET WORTH GROWTH

2018 \$73,627,481
2017 \$69,356,630
2016 \$65,921,726

2018
2017
2016

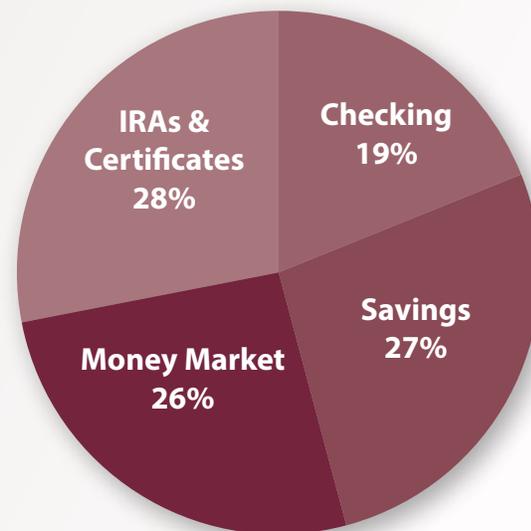


	2018	2017
TOTAL INCOME	\$42,787,638	\$38,266,617
Expenses		
Personnel	\$16,869,996	\$15,397,370
Office Operations & Occupancy	\$8,367,124	\$7,358,879
Loan Servicing	\$2,087,930	\$1,877,030
Professional/Outside Services	\$1,267,703	\$1,355,970
Education/Promotion	\$1,109,824	\$1,144,641
Provision for Loan Losses	\$3,584,000	\$2,152,000
Other	\$1,325,984	\$1,396,114
Total Expenses	\$34,612,561	\$30,682,004
Total Interest Expense & Dividend	\$3,906,992	\$4,149,709
Net Income	\$4,268,085	\$3,434,904



DISTRIBUTION OF LOANS

	2018	2017
Assets		
Cash & Investments	\$135,823,551	\$159,049,116
Loans, Net	\$573,085,463	\$533,001,316
Fixed Assets	\$16,200,669	\$16,757,552
Other Assets	\$17,755,181	\$19,110,668
Total Assets	\$742,864,864	\$727,918,652
Equity & Other Liabilities		
Shares & Certificates	\$609,483,413	\$579,414,198
Borrowings	\$55,000,000	\$70,000,000
Reserve & Undivided Earnings	\$73,627,481	\$69,356,630
Other Liabilities	\$4,753,970	\$9,147,824
Total Equity & Liabilities	\$742,864,864	\$727,918,652



DISTRIBUTION OF SHARES



Not yet a member? If you live in Southern California or Southern Nevada, joining the Credit Union is easier than you may think!

scefcu.org • 800.866.6474

