



2019 ANNUAL REPORT



Report of the Chair and CEO

EMPOWERING OTHERS



Patrick McCloskey
Board Chair



Dan Rader
President/CEO

The numbers tell us 2019 was a solid year. An increase of just over \$18 million in business loans and nearly \$6 million in personal loans led to an overall increase in our portfolio. Checking, Savings, IRAs and Certificates all showed growth, adding approximately \$30 million to our deposit shares, a boost of nearly 5%. We closed out 2019 with over \$728 million in assets, and just under 61,000 members. Once again, the numbers reveal a credit union in robust shape — ready to make the most of opportunities that come our way, as well as take on any challenges.

We are a credit union committed to our members, to our team, to growth and to making a positive impact in the Southern California and Southern Nevada communities we serve. We believe we have an obligation to do the right thing, which is, invariably, the smart thing. We reach out to underserved communities. We educate, donate, contribute and volunteer.

In 2019, 37 SCE FCU team members completed a variety of financial coaching workshops. Our team members themselves presented 31 workshops

attended by 1,151 participants. This illustrates the fact that real leadership does not create followers; it creates new leaders.

The Center for Financial Empowerment is the nonprofit we founded in 2005. They are primarily focused on providing financial education to high school students who otherwise might never learn even the basics. In 2019 the CFE put on 21 Mad City Money financial simulation events and 146 classes, resulting in thousands more money smart people in the world.

Another highlight of 2019 took place in September when SCE FCU played proud host for a field trip to our Boyle Heights branch as part of the Inclusiv Conference. Their mission is to help low- and moderate-income people and communities achieve financial independence through credit unions. At the branch, we treated guests to local food and a folkloric dance performance. They heard from community-based organizations we work with to learn more about our mission-driven lending, the financial education we offer adults and the work

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

of the CFE. Their President and CEO, Cathie Mahon, called SCE FCU a “force and a pioneer within the community development, credit union movement.”

One of the issues we are always addressing is credit. Did you know that nearly 70 million people in the U.S. have bad or poor credit? Our Credit Builder Loan saw a significant increase in 2019 as more people chose to work with us to rebuild their financial reputations. The loan is designed to help people with no credit, too. The loan proceeds go into a savings account and as the borrower makes payments, the funds are made available. In 2019 we helped put hundreds of people back on the road to financial stability and success with this loan.

2019 was the 67th annual affirmation of our commitment to people, places and progress. SCE FCU is about a child’s first savings account, and a grandparent’s IRA. Members look to us for that low interest auto loan, and higher interest certificate. We make the dream of home ownership come true, and we provide access to equity. We are also about the financial seminars that help adults and teens, volunteering and contributing to important community causes and being the thoughtful neighbor you live near.

At SCE FCU we believe credit unions become great institutions not only because of their financial power but because of their ability and willingness to empower others.

“ My previous credit union wasn’t that good. But, SCE FCU gave me the opportunity to have a credit card with a \$5,000 limit. Thank you for giving me a chance to rebuild my credit. By the way... I’ve made all my payments on time and remain in good standing. Thank you!

-SN

“ Team member Perla at the Henderson branch has always been there for my family and makes my experience always pleasant. I refinanced my car with SCE FCU and my payments have gone down. Better APR as well!

-Gabriela D.

“ We just want to say how awesome team member Anna is for helping us establish our accounts. Her kindness and expertise was like no other. Thank her from the Jensens!

-The Jensens

“ An error with the IRS would have had me paying thousands of dollars, but the Ontario branch manager helped me resolve the issue. All the team members there are knowledgeable, friendly and professional. I’ve been with SCE FCU for decades, I’m very happy with their service.

-Delia G.

BOARD OF DIRECTORS



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Chair



Nancy Bond
Vice Chair



Michael Maxwell
Financial Officer



Chris Carter
Secretary



Kenji Coleman
Director



Victor Dominguez
Director



Angela Wilson
Director

EXECUTIVE MANAGEMENT



Dan Rader
President/CEO



Eric Harvell
Chief Financial
Officer



Kitty Hunter
Chief Lending
Officer



Michelle Shelton
Chief Experience
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 CliftonLarsonAllen LLP (CLA), an independent accounting firm, to audit the Credit Union's records for the 12 months ending March 31, 2019. 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

In 2019 we were deeply saddened by the loss of Supervisory Committee Member Michael Clearman. Michael was an attorney, a pilot and a sailor. He was big-hearted and generous, and he loved his friends, colleagues, and life. He will forever be missed.



Tim Ferreira
Chair



Kristin Marzec
Secretary



Chuck Greene
Member



Valerie Mendoza
Member



Kevin Nesby
Member



Center for Financial Empowerment

GROWTH & GRATITUDE

2019 was a year defined by substantial outreach for the CFE. The strong financial and relational work we did in prior years enabled us to say “yes” to many new opportunities, doubling the amount of financial classes and Mad City Money events. As a result, we empowered thousands of teens with our unique brand of financial education.

We were also privileged to continue our college scholarship program, awarding \$20,000 in college scholarships to eight hard-working young adults.

In an exciting new venture, we launched the pilot for an innovative four-year financial curriculum model with the freshman class of 720 students at Basic Academy of International Studies in Henderson, Nevada. This program will continue to be developed over the next three years, delivering comprehensive financial education throughout every year of their high school experience.

Results like these are only possible with the funding and volunteer help to make it happen. We share the credit for 2019 successes with our donors and our volunteers. Thank you for supporting the CFE. Your investment in the financial empowerment of our youth truly is paying off.

Center4FE.org

146
CLASSROOM FINANCIAL
WORKSHOPS FACILITATED

21
MAD CITY MONEY FINANCIAL
SIMULATION EVENTS

4,803
TEEN WORKSHOP PARTICIPANTS

1,752
MAD CITY MONEY PARTICIPANTS

20 HIGH SCHOOLS & **10** COMMUNITY AGENCIES
received financial education resources from the CFE



2019 FINANCIAL REPORT



Michael Maxwell
Board Financial Officer

The goal at SCE FCU is to help improve the lives of our more than 60,000 members, the multiple communities we serve, and the hundreds of dedicated, deserving members of our team. We also extend assistance to those who need a helping hand. We provide the underserved in Southern California and Southern Nevada access to mainstream financial products, services and education.



Eric Harvell
Chief Financial Officer

Here are some of the financial highlights of 2019:

Our membership grew to 60,954, an increase of 9%

Ended the year with assets of \$728.7 million

Net income of \$4.3 million

Totaled \$158.3 million in funded loans

Ended the year with shares of \$639.3 million, a 4.89% increase

Ended the year with loans of \$578.7 million, a 0.17% increase

Delinquency ratio of 0.73% and loan loss ratio of 0.73%

Our regulator (NCUA) defines a well-capitalized credit union as having at least 7% of its assets in reserve. SCE FCU finished the year at an exceptional 10.7%

2019 FINANCIAL DATA

LOAN GROWTH

2019 \$578,707,915
2018 \$577,716,811
2017 \$537,444,524

2019
2018
2017



SHARE GROWTH

2019 \$639,276,831
2018 \$609,483,413
2017 \$579,414,198

2019
2018
2017



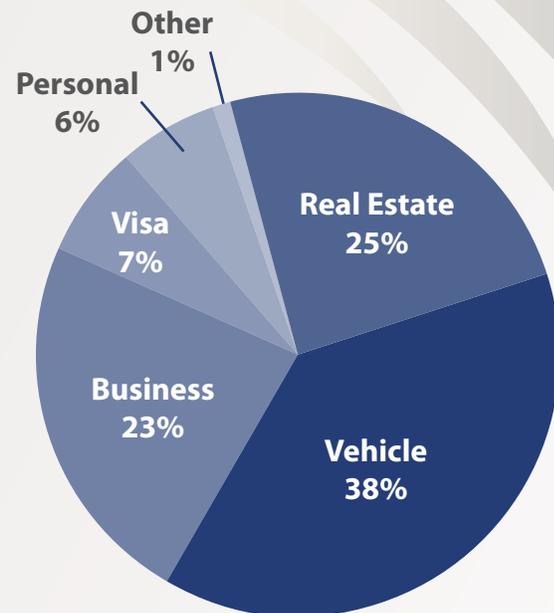
NET WORTH GROWTH

2019 \$77,959,989
2018 \$73,627,481
2017 \$69,356,630

2019
2018
2017

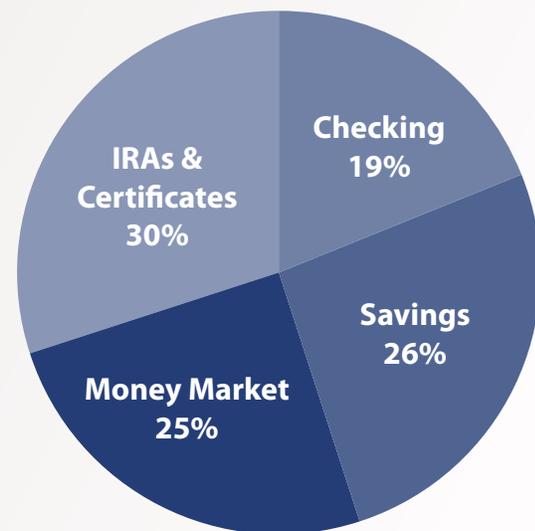


	2019	2018
TOTAL INCOME	\$43,831,226	\$42,787,638
Expenses		
Personnel	\$17,003,793	\$16,869,996
Office Operations & Occupancy	\$7,473,749	\$8,367,124
Loan Servicing	\$2,055,772	\$2,087,930
Professional/Outside Services	\$1,119,360	\$1,267,703
Education/Promotion	\$819,975	\$1,109,824
Provision for Loan Losses	\$4,467,000	\$3,584,000
Other	\$1,322,062	\$1,325,984
Total Expenses	\$34,261,711	\$34,612,561
Total Interest Expense & Dividends	\$5,237,007	\$3,906,992
Net Income	\$4,332,508	\$4,268,085



DISTRIBUTION OF LOANS

	2019	2018
Assets		
Cash & Investments	\$119,546,955	\$135,823,551
Loans, Net	\$573,824,457	\$573,085,463
Fixed Assets	\$15,842,494	\$16,200,669
Other Assets	\$19,503,424	\$17,755,181
Total Assets	\$728,717,330	\$742,864,864
Equity & Other Liabilities		
Shares & Certificates	\$639,276,831	\$609,483,413
Borrowings	\$6,000,000	\$55,000,000
Reserve & Undivided Earnings	\$77,959,989	\$73,627,481
Other Liabilities	\$5,480,510	\$4,753,970
Total Equity & Liabilities	\$728,717,330	\$742,864,864



DISTRIBUTION OF SHARES

COMMUNICATION | RESPECT | ENTHUSIASM | ACCOUNTABILITY | TEAMWORK | EXCEPTIONAL SERVICE



CREATE GOOD

SCE Credit Union lives by a group of six words that describe the very things we aim for in our relationship with members, communities and each other. Those words appear at the top of this page. Appropriately, the words form an acronym, CREATE.

We do create the products and tools members need to function and succeed financially. That is important; we are good at it, and proud of it. But we do more than that. We also support causes in the communities we serve, like the fight to cure diabetes, efforts

to end hunger, providing school supplies to students, awarding scholarships to deserving college students and much more. Our nonprofit, the Center for Financial Empowerment, brings financial education to teens and young adults. We create good.

Create Good is community engagement, volunteerism, our contribution to causes. In 2020 we will expand on this social mission. It is our hope that Create Good inspires our members, our neighbors, and our team to do exactly that – create good.



OUR SCE FCU TEAM



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

