2019 ANNUAL REPORT

A positive difference!

SecurityPlus
FEDERAL CREDIT UNION

FEDERALLY INSURED BY NCUA
I want to thank you for being a member of our Credit Union. Last year Securityplus Federal Credit Union lost two long serving Volunteers; Stanley A. Kluckowski and Walter J. Stanislawski. Both served as Board Chair during their tenure with the Credit Union. Let us take a moment to remember them.

Our mission is to build lasting relationships with our members and to help you be successful in achieving your financial goals. Whether we are here for you in person, on the phone or online, we aim to support you when and how you need our assistance, providing you with customized solutions to help you succeed.

As part of our commitment to serving you, our members, we are excited about the renovations made to our Woodlawn Branch Office in May 2019. The branch now features a bright, open, modern and welcoming space with personalized teller service as well as a state-of-the-art digital check-in system for those requiring additional services such as opening new accounts or applying for loans.

Last September, we were able to enhance our digital banking platform by providing a free credit score and credit monitoring tool. This valuable and educational service allows members the ability to access their credit report daily and receive tips on how to improve their credit as part of the digital banking experience.

Securityplus offered several opportunities for members to save money throughout the year by offering lower interest rates for vehicle refinancing, personal loans, transferring credit card balances and a monetary credit for home refinancing. The Credit Union also gained over 200 new youth memberships as part of a youth campaign, which provided a $20 deposit match for each new youth account.

Throughout 2019, we remained community focused, reaching out to make a positive difference through:

- Continued partnership with Baltimore City’s YouthWorks program, providing the opportunity for inner city youth to open savings and checking accounts.
- Joint efforts with the nonprofit, Love the Hopeful, in providing donated personal care products to 100+ homeless individuals at the Hopeful Market in Baltimore City.
- Collecting nearly 15,000 pounds of documents from 600 cars that stopped by the Securityplus Community Shred Day in early November, helping to prevent identity theft.
- Donating school supplies which were collected and given to area schools and learning centers to benefit children in need.
- Surprising three families who were facing financial hardship with $500 gift cards as part of the Credit Union’s “Holiday on Us” program in December.

We are pleased to report that Securityplus had one of its best financial years in a very long time. This success enables us to offer better saving rates as well as reduced service fees. Profits permit us to keep pace with ever changing technology while keeping a watchful eye on the future, so that we can serve you even better.

This year we are hopeful that current events such as the coronavirus and the dramatic changes in the global market will have a minimum effect on our Credit Union. We are taking every precaution to ensure that our offices are clean and sanitized to prevent the spread of illness. Our investments and rates will remain competitive, but inline with the actions that are affecting the financial industry. Your money is safe and guaranteed up to $250,000 by the National Credit Union Administration.

On behalf of the Board of Directors, volunteers and staff, I want to once again thank you for being a part of our success and for your loyal support. We remain dedicated to serving the financial needs of our members and to providing outstanding support to our communities.

Bernice J. Chase
Chairperson

BOARD OF DIRECTORS
Bernice J. Chase, Chairperson
Robert L. Berzanski, Vice Chairman
Rudolph T. Isaacs, Jr., Treasurer
Kelly Tribble Spencer, Secretary
Carolyn A. Brooks
Andre F. Brown
Keith B. Cobb
Barbara G. Cuffie
Jerilyn Pope
Crystal Lamb, Associate Director
Christine Simpson, Associate Director
Charlotte Alston Rogers, Executive Officer to the Board

EXECUTIVE TEAM
Brett Noll, Chief Executive Officer
William Kennedy, Chief Financial Officer
Maynard Hurd, Chief Operating Officer
Mike Keener, Chief Information Officer
Mark Ely, Vice President of Marketing
Ulrica Rawlings, Assistant Vice President of Human Resources
Floretta Sharpless, Assistant Vice President of Risk Management
Laura Hunter, Executive Assistant to the CEO
CEOs Report

At last year’s annual meeting, an Orioles jersey was displayed that had been signed by current and former players, O’s back office staff, stadium workers and more. Although it’s great to have a jersey signed by Cal Ripken, Brooks Robinson, and Rick Dempsey among others, the key takeaway was that it takes everyone to make an organization successful. Imagine if you went to an Orioles game and instead of the delightful staff welcoming you with big smiles, the ticket takers seemed irritated to be there. What if the grounds crew let weeds grow on the infield or the IT team couldn’t keep ticket systems up? Any one of those areas can have a big impact on your overall experience.

Securityplus has been working extremely hard to improve your experience with the Credit Union. Yes, we’ve made financial and technological improvements, added products and services to help you more easily conduct business, and created heightened levels of efficiency; however, if I had to point to one area that has been critical to good performance over the past several years, it’s an improved culture. Whether it is serving members or each other well, each day we try to treat people as we would want to be treated. That formula has contributed to another very good year for our Credit Union.

2019 was our sixth consecutive year of positive net income and we recorded our best financial performance in the last twelve years with net income of $2,183,544. We also ended the year with strong growth, setting a new record for asset size at $393,621,049. Net worth, a credit union’s reserves and undivided earnings compared to assets, crossed the 10% mark for the first time in many years, meaning we are stronger and better equipped to handle adversity.

Although there is always room for improvement, our staff once again received outstanding service scores from members in 2019, exceeding those of our peers. We also had the best results in employee satisfaction ratings since we started measuring in 2013. Our ability to retain employees has greatly improved as more talented and committed staff members are choosing to stay longer.

It’s not realistic to think a baseball team or any organization may not have tough years. That may happen, however I’ll stand by the philosophy that employees and members who feel valued will contribute to the success of any organization. The framed O’s jersey will travel to branches (at the suggestion of one of our members) and will hang indefinitely at our operational headquarters. At the very top of the frame is the following quote from an inspiring woman by the name of Helen Keller:

“Alone we can do so little; together we can do so much.”

Thank you as always for choosing to be a member of Securityplus Federal Credit Union.

Sincerely,

Brett Noll
Chief Executive Officer

Management Team

Tymeshia Alleyne, Security West Branch Manager
Denise Aviles, Internal Audit Manager
Patricia Banks, Collections Manager
Ella Bartels, Controller
Corjuan Cooper, Operations Manager
Delphine Garner, Main Office Branch Manager
Danielle Patterson, Woodlawn Branch Manager
Yolanda Purnell-Parker, Contact Center Manager

Atia Ross, Owings Mills Branch Manager
Deborah Rutter, Loan Operations Manager
Tony Taranto, Mortgage Lending Manager
Cheryl Warfield, Transaction Services Manager
Cheryl Wizzard, CMS Branch and Northwest Plaza Branch Manager
Treasurer’s Report

Securityplus Federal Credit Union had another successful year and staff continues to meet many of the goals set by management and the board. The Credit Union ended 2019 with net income of $2,183,544 and increased net worth to approximately 10.10%. In addition, the Credit Union held loan balances of $241M and increased investment balances to $91M. This positive growth in net worth, loan balances, and investments is an indication of the Credit Union’s strong financial position.

In 2020, we plan to continue growing the Credit Union so that we can meet the major objectives of our Strategic Plan. These objectives include providing exceptional service to our members, improving technology, and remaining fiscally strong.

As Treasurer, I am proud of the continued progress of Securityplus. By staying true to our core values, continuing to build lasting relationships with members, and continuing to create a positive difference for our members, our employees and the communities we serve we can achieve our Strategic goals.

I would like to thank all who have worked towards accomplishing the goals we have set forth and most importantly I want to thank the members of Securityplus for making 2019 another successful year.

Rudolph T. Isaacs, Jr., CPA
Treasurer

Independent Auditors’ Report

Supervisory Committee and Board of Directors
Securityplus Federal Credit Union
Baltimore, Maryland

Report on Financial Statements
We have audited the accompanying financial statements of Securityplus Federal Credit Union, which comprise the statement of financial condition as of December 31, 2019, and the related statements of income, comprehensive income (loss), changes in members’ equity, and cash flows for the year then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the 2019 financial statements referred to above present fairly, in all material respects, the financial position of Securityplus Federal Credit Union as of December 31, 2019, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matter
The financial statements of Securityplus Federal Credit Union as of December 31, 2018, were audited by other auditors whose report dated March 8, 2019, expressed an unmodified opinion on those statements.

CliftonLarsonAllen LLP
Arlington, Virginia
February 25, 2020

CliftonLarsonAllen LLP CLAconnected.com
# Financial Statements

## Statements of Financial Condition

**December 31, 2019 and 2018**

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$35,289,107</td>
<td>$25,032,228</td>
</tr>
<tr>
<td>Securities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Available-for-Sale</td>
<td>$66,811,142</td>
<td>$65,667,120</td>
</tr>
<tr>
<td>Equity Securities</td>
<td>2,342,851</td>
<td>-</td>
</tr>
<tr>
<td>Held-to-Maturity</td>
<td>931,367</td>
<td>3,606,626</td>
</tr>
<tr>
<td>Other</td>
<td>869,684</td>
<td>871,902</td>
</tr>
<tr>
<td>Loans, Net</td>
<td>$241,170,194</td>
<td>$268,072,540</td>
</tr>
<tr>
<td>Loans Held-for-Sale</td>
<td>1,281,855</td>
<td>1,167,434</td>
</tr>
<tr>
<td>Accrued Interest Receivable</td>
<td>849,022</td>
<td>778,993</td>
</tr>
<tr>
<td>Premises and Equipment, Net</td>
<td>5,615,678</td>
<td>5,741,603</td>
</tr>
<tr>
<td>NCUSIF (National Credit Union Share Insurance Fund) Deposit</td>
<td>3,444,207</td>
<td>3,572,763</td>
</tr>
<tr>
<td>Other Assets</td>
<td>15,015,942</td>
<td>10,517,194</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$393,621,049</strong></td>
<td><strong>$385,228,403</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES AND MEMBERS’ EQUITY</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIABILITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Members’ Share and Savings Accounts</td>
<td>$352,001,021</td>
<td>$349,778,759</td>
</tr>
<tr>
<td>Accrued Expenses and Other Liabilities</td>
<td>4,518,037</td>
<td>4,007,656</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>356,519,058</strong></td>
<td><strong>353,786,614</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MEMBERS’ EQUITY</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular Reserves</td>
<td>19,062,268</td>
<td>19,062,268</td>
</tr>
<tr>
<td>Undivided Earnings</td>
<td>20,695,349</td>
<td>18,586,884</td>
</tr>
<tr>
<td>Accumulated Other Comprehensive Loss</td>
<td>(2,655,626)</td>
<td>(6,207,363)</td>
</tr>
<tr>
<td><strong>Total Members’ Equity</strong></td>
<td><strong>37,101,991</strong></td>
<td><strong>31,441,789</strong></td>
</tr>
<tr>
<td><strong>Total Liabilities and Members’ Equity</strong></td>
<td><strong>$393,621,049</strong></td>
<td><strong>$385,228,403</strong></td>
</tr>
</tbody>
</table>

## Statements of Income

**Years Ended December 31, 2019 and 2018**

<table>
<thead>
<tr>
<th>INTEREST INCOME</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans</td>
<td>$11,371,356</td>
<td>$11,305,244</td>
</tr>
<tr>
<td>Securities, Interest-Bearing Deposits, and Cash Equivalents</td>
<td>2,737,054</td>
<td>1,721,653</td>
</tr>
<tr>
<td><strong>Total Interest Income</strong></td>
<td><strong>14,108,410</strong></td>
<td><strong>13,026,897</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>INTEREST EXPENSE</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members’ Share and Savings Accounts</td>
<td>1,793,424</td>
<td>1,401,893</td>
</tr>
<tr>
<td><strong>Total Interest Expense</strong></td>
<td><strong>1,793,424</strong></td>
<td><strong>1,401,893</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET INTEREST INCOME</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>$12,314,986</td>
<td>$11,625,004</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PROVISION FOR LOAN LOSSES</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,256,000</td>
<td>$1,329,500</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>$11,058,986</td>
<td>$10,295,504</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NONINTEREST INCOME</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Charges and Fees</td>
<td>4,582,474</td>
<td>4,440,854</td>
</tr>
<tr>
<td>Other Noninterest Income</td>
<td>533,796</td>
<td>721,958</td>
</tr>
<tr>
<td>Net Gain on Equity Securities</td>
<td>197,226</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Noninterest Income</strong></td>
<td><strong>5,313,496</strong></td>
<td><strong>5,162,812</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NONINTEREST EXPENSE</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>General and Administrative:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Compensation and Benefits</td>
<td>7,028,486</td>
<td>6,431,006</td>
</tr>
<tr>
<td>Occupancy</td>
<td>1,051,687</td>
<td>1,059,818</td>
</tr>
<tr>
<td>Operations</td>
<td>2,495,860</td>
<td>2,407,402</td>
</tr>
<tr>
<td>Professional and Outside Services</td>
<td>1,636,369</td>
<td>1,834,133</td>
</tr>
<tr>
<td>Loan Servicing</td>
<td>797,381</td>
<td>732,382</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>1,179,155</td>
<td>1,053,370</td>
</tr>
<tr>
<td><strong>Total Noninterest Expense</strong></td>
<td><strong>14,188,938</strong></td>
<td><strong>13,518,111</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET INCOME</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,183,544</td>
<td>$1,940,205</td>
<td></td>
</tr>
</tbody>
</table>

These condensed financial statements do not constitute a complete presentation. The complete set of audited financial statements, including the statements of comprehensive income (loss), changes in members’ equity and cash flows, and notes to the financial statements are available at the Credit Union office during normal hours of operation.

Federally Insured by NCUA

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A positive difference!

**OUR PROMISE** – To create a positive difference for our members, our communities, and our employees.
Loan Review Committee’s Report

The Loan Review Committee is composed of volunteers, appointed by the Securityplus Federal Credit Union Board of Directors, and the Chief Operating Officer. The purpose of the committee is to review any loan appeal requests submitted by members of the Credit Union.

Members generally submit appeals when their loan requests have been denied due to financial information being omitted from their initial loan application or their financial situation has changed since the initial application. The Loan Review Committee reviews the information and a decision is made to approve or deny the member’s request. The committee seeks to find a common ground where the member’s need is met and the risk to the Credit Union is mitigated.

The Loan Review Committee’s efforts resulted in a total of $204,673.51 in loan approvals in 2019. We look forward to continuing to make a positive difference in our members’ lives.

Loan Review Committee:
Sheryl Morsell
Vashti Pullum
Maynard Hurd, Chief Operating Officer

Supervisory Committee’s Report

The Supervisory Committee (SC) of Securityplus Federal Credit Union is appointed by the Board of Directors in accordance with the Federal Credit Union Act. It is responsible for ensuring that the financial condition of the Credit Union is accurately and fairly presented in the Credit Union’s financial statements. Also, the Supervisory Committee assists the Board of Directors in fulfilling its oversight responsibilities for:

• the system of internal control,
• the audit process, and
• the Credit Union’s process for monitoring compliance with laws and regulations.

The Supervisory Committee conducts audits and reviews to determine if management practices and procedures are sufficient to safeguard members’ assets.

The Supervisory Committee retained CliftonLarsonAllen, LLP, a certified public accounting and consulting firm, to assist the Supervisory Committee with the annual 2019 financial statement audit and comment on the accuracy and fairness of management’s and the Board’s presentation of the Credit Union’s financial statements.

Additionally, throughout 2019, the SC conducted the following internal audits:

• Secure and Fair Enforcement for Mortgage Licensing Act (S.A.F.E Act) Compliance,
• Automatic Clearing House (ACH) Compliance, Identity Theft Red Flag Compliance, Website Regulatory Compliance, Social Media Monitoring, Bank Secrecy Act (BSA) Compliance, Ethics Compliance, Home Mortgage Disclosure Act (HMDA),
• Controls over Wire Transfers, Non-Financial Account Maintenance, Dormant Accounts, IT Access Controls, Branch Operations (all branches),
• New Account Review, Manual Journal Entry Review, NCUA Call Report Review, Monthly Dividend & Interest Rate Review,
• Quality Control over Mortgage Loans, Consumer Loans, Indirect Lending, Home Equity Lines of Credit, Quick Cash Loans

The Supervisory Committee reported any exceptions to management and the Board of Directors. We recommended corrective actions and continue to follow up on areas of operations to see whether changes have been implemented to address audit recommendations.

The Supervisory Committee is pleased to report that Securityplus Federal Credit Union is operating in a safe and sound manner.

If you wish to contact the Supervisory Committee, please address your letter to:

Securityplus Federal Credit Union
Supervisory Committee
P.O. Box 47524
Windsor Mill, MD 21244

Alternately, you may e-mail the Supervisory Committee at: scchair@securityplusfcu.org

Supervisory Committee:
Jeffrey B. Coleman, Chairperson
Mitchell J. Edelman, Secretary
Carolyn A. Brooks, Member
C. NaTasha Richburg, Member
Judah Buchwalter, Member

Denise M. Aviles, Internal Audit Manager
Serving Our Members the Securityplus Way

**Vehicle LOANS**
- $22,073,428

**Credit Card LOANS**
- $2,016,650

**Personal LOANS**
- $10,166,751

**Mortgage LOANS**
- $27,524,996

**Home Equity LOANS**
- $9,740,782

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"I was so thankful to you, for going the extra mile to help me with my loan."

"I was treated with compassion, knowledge, and excellence from the time I started until my business was completed."

"I was so thankful to you, for going the extra mile to help me with my loan."

"As first time homebuyers, Securityplus guided my husband and I through every step. Working with you has been a breath of fresh air during a scary but exciting time."

"I'm shocked you were able to take a year off my (auto) loan AND still save me money! Thank you!"

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**New MEMBERS**
- 2,399

**Total MEMBERS**
- 34,620