

INCOME STATEMENT

December 2014

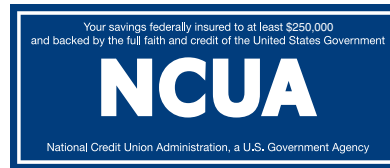
Income from Loans.....	2,412,991
Income from Investments.....	220,707
Other Income.....	1,171,164
Total Operating Income.....	3,804,862
Salaries/Benefits.....	1,299,620
Travel & Conference.....	60,669
Association Dues.....	19,999
Office Occupancy.....	98,679
Office Operations.....	478,683
Education/Promotion.....	117,174
Loan Servicing.....	137,914
Professional & Outside.....	624,269
Loan Loss Provision.....	-7,647
Operating Fees.....	11,999
Other Expenses.....	104,397
Total Operating Expenses.....	2,945,757
Income before Dividends.....	859,105
Less Dividends.....	243,406
Other Non-Operating Inc (Exp.).....	0.00
Net Income/Reserves.....	615,699

BOARD OF DIRECTORS

<i>Charlie Slaton</i>	<i>Chairman</i>
<i>Jess Cisneros</i>	<i>Vice Chairman</i>
<i>Brad McDuffee</i>	<i>Treasurer</i>
<i>Del Bryant</i>	<i>Secretary</i>
<i>Melissa Anderson</i>	<i>Director</i>
<i>Linda Bardere</i>	<i>Director</i>
<i>Denise Perez</i>	<i>Director</i>
<i>Ethel McAfee</i>	<i>Director</i>
<i>Marcia Mulvaney</i>	<i>Director</i>

SUPERVISORY COMMITTEE

<i>Diane Pearce</i>	<i>Chairperson</i>
<i>Carlene Simmons</i>	<i>Committee Member</i>
<i>Karen Burgon</i>	<i>Committee Member</i>



NCUA AND AMERICAN SHARE INSURANCE

Deposit savings accounts are insured up to \$500,000. Your savings is federally insured to at least \$250,000 and backed by the National Credit Union Administration, a US Government Agency. The Board of Directors has chosen to provide an additional \$250,000 of savings protection to each qualifying account through American Share Insurance, a private deposit guaranty corporation.

We are an Equal Opportunity Lender and an Equal Housing Lender. We do business in accordance with the Federal Fair Housing Law and the Equal Credit Opportunity Act.

San Bernardino School Employees Federal Credit Union
2441 North Sierra Way • San Bernardino, CA 92405
(909) 882-2911 • www.sbsefcu.org

2014 ANNUAL REPORT



*Serving the financial
needs of our Members
for 62 years*

BALANCE SHEET

Assets	2013	2014	Change
Total Loans	37,909,837	40,273,235	5.87%
ALL	(598,781)	(465,498)	-28.63%
Net Loans	37,311,056	39,807,737	6.27%
Cash & Investment	22,459,126	21,222,625	-5.83%
Fixed & Other Assets	5,267,406	7,104,537	25.86%
Total Assets	65,037,588	68,134,899	4.55%
Liability & Equity			
Other Liabilities	349,365	516,887	32.41%
Savings	17,431,972	17,972,501	3.01%
Checking	9,163,229	9,910,789	7.54%
Money Market	11,623,595	11,710,441	0.74%
Certificates	10,942,790	11,897,082	8.02%
IRA	5,088,931	5,074,909	-.28%
Total Share Deposits	54,250,517	56,565,721	4.09%
Total Equity	10,436,706	11,052,291	5.57%
Total Liabilities & Equity	65,036,588	68,134,899	4.55%
Net Worth Ratio	16.05%	16.22%	

MISSION STATEMENT: To provide individualized financial services to the members of the San Bernardino School Employees Federal Credit Union. To encourage thrift by providing a source of credit and a safe and convenient place to accumulate savings. The Credit Union is dedicated to servicing the membership's best interest in a friendly and caring manner while preserving the membership's trust.

CEO's Report 2014

Thank you for your membership at San Bernardino School Employees Federal Credit Union. Since I started at SBSEFCU in 2012, we have been working hard to improve our financial institution in a variety of ways. We have dedicated significant resources to two areas that will ultimately improve our delivery and service to members; employee training and technology. Those commitments and many others will continue during 2015, and I hope you continue to feel the impact when you transact with us either in person or remotely. We have concluded a very exciting and successful 2014; and as I write this letter I am gushing with excitement for the plans we have made for 2015. Your credit union's volunteers and employees are committed to continuous improvement.

SBSEFCU once again, demonstrated superior financial performance during 2014. Your credit union ended 2014 with a Net Worth Ratio over 16 percent, which is significantly higher than our peer group of similarly sized credit unions. The credit union was able to grow deposits, assets, and loans at very healthy rates. Loan growth has been a priority for the credit union since my arrival and I am happy to report that total loans grew by more than \$2.3 million, or 6.15 percent during 2014. The lending team continues to do an excellent job of engaging members to identify lending opportunities. We have refinanced millions of dollars in loans from other institutions saving our members tens of thousands of dollars in monthly interest payments. Not only did our members chose to use SBSEFCU more for their lending needs, they also showed great confidence in their credit union by depositing millions more dollars with our institution. Members increased deposits by more than \$2.3 million, or 4.27 percent, during 2014. There is nothing that reinforces our commitment to improving than having members bring us more of their loan and deposit business. We will continue to improve our products, services, and pricing to be even more attractive in the future.

We remain part of several credit union collaborations that create tremendous access for our members. SBSEFCU

is part of CO-OP Financial Services ATM and Shared Branching Network. These collaborations allow SBSEFCU to offer more than 30,000 surcharge FREE ATM's and over 5,000 branch locations nationwide for our members. You can find out more about these services and locations near you by visiting <http://co-opatm.org> or <http://www.co-opsharedbranch.org/>. You can also ask any of our employees for more information on how to access your SBSEFCU account through these services. We are also part of the Southern California Credit Union Alliance (SCCUA). The SCCUA is a group of more than 60 credit unions that collaborate in various areas such as employee training, product offerings, and vendor management. The credit union industry has been built on collaboration and we are proud to be part of these organizations that help us benefit our members.

I continue to be excited about the future of SBSEFCU. Since my arrival as CEO, I have found a dedicated Board of Directors, Supervisory Committee, employees and members of this credit union that has operated for more than 60 years. The upcoming year will be transformational for the credit union and our members. It will not be a quiet 2015, but I am confident the volunteers and employees will ensure our vision for the year is realized

I thank you again for your membership!

Kevin Posey

Chief Executive Officer



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