



# Together Today



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# Board Chair and President's Message

Many of us, Southland included, were forced to withstand moments of uncertainty last year in ways we have never before experienced. While we couldn't have predicted the challenges we all faced in 2020, our Southland Credit Union family closed out the year together as a stronger, more united community. Given the unprecedented circumstances across the world, we took action to communicate with our Members and respond to their needs. Despite the obstacles, Southland is proud to remain a financially secure and highly capitalized Credit Union.

In 2020, Southland reached \$996 million in assets while maintaining a strong and well capitalized 9.21% net worth ratio. We paid \$3.9 million in dividends to Members. In addition to our unprecedented growth during a global pandemic, Southland Credit Union continued to make Member service a priority with several notable accomplishments.

## A unified team

We are proud of our team of dedicated Associates who took immediate action and responded to the crisis. Our Operations team implemented health and safety protocols in all our branches, which allowed us to safely serve our Members. Meanwhile, our Information Services team swiftly responded to the changing conditions by supporting remote access for more than half of our Associates who were able to work safely from home.

While all our Associates experienced changes to their work environment due to the pandemic, Southland Credit Union was named a “Best Credit Union to Work For” by Credit Union Journal for the second year in a row. Our Associates remain our most valuable asset and we are honored to be included among some of the best-performing credit unions in the nation.

#### Extending a hand

Last year we extended a helping hand by assisting more than 2,300 Members and \$60 million in loan balances with fee free loan payment deferrals, \$600,000 in PPP (paycheck protection program) loans, and over \$160,000 in emergency relief loans. A fee free Skip-a-Pay was also offered to eligible Members.

We made it a priority to keep in touch with our Members regularly during the year with email updates and surveys to simply ask – how are you doing, and how can we help? We are grateful to all the Members who took the time to respond to our surveys and offer their valuable feedback.

To support our communities, Southland delivered over 3,000 meals to frontline workers at local hospitals, medical centers and other first responder organizations across Los Angeles County and Orange County. The Credit Union also completed a significant donation of computer equipment, valued at over \$100,000, to the City of Long Beach Parks, Recreation and Marine (PRM) Department. More than 200 computers are being installed in Community Learning Hubs throughout Long Beach and will be used in afterschool and senior programs. We are very excited to partner with PRM and assist the residents and the City of Long Beach.

#### Opportunities to smile

We are moved by the thousands of responses and the heartfelt stories we received for our #CUSmile contests in 2020. We named 21 winners, sent out 14 gift card prizes, and presented \$7,000 in grand prizes. Your sincere and heartfelt contest submissions were truly moving, and we were pleased to find a way to connect with our Members virtually. Although we could not come together in-person to demonstrate our appreciation for our Members, we continue to live out the credit union philosophy of “people helping people” in any way we can.

#### Growing Member benefits and services

A brand-new Visa program debuted in 2020 along with new card designs and added benefits for our Members. Southland offered a Platinum Cash Rewards Visa credit card with the option of redeeming rewards points for cash, along with a Visa Smart Card, for those who are just getting started with credit. We offered a year-end Visa bonus to new Platinum cardholders with an opportunity to earn 10,000 additional bonus points, as well as fee free balance transfers. Our Visa portfolio achieved significant growth last year, and we are looking forward to continuing to provide unique Visa benefits to our Members.

Our public-facing website received a big update with a new look, improved navigation, enhanced locator map, and an online education center with free self-guided financial education courses. We also launched some important updates to our mobile and online banking services, including new security features and design enhancements. These updates are just the beginning of our process toward a better digital banking experience for you. We have made a commitment in 2021 to launch a new online banking platform and mobile app with the features you have come to expect from a leading financial institution.

We look forward to a new year with fresh opportunities for growth and a hopeful outlook for the future. Southland Credit Union is committed to improving your experience as a Member and is honored to be a resource for your financial needs. On behalf of the Board of Directors, Southland Executive Management, and our team of Associates, we thank you for the opportunity to serve you.

We are here for you. We are Southland Credit Union, together today.

  
Jose L. Manzano  
Board Chair, Board of Directors

  
Thomas G. Lent, CPA  
President and Chief Executive Officer



# Volunteers

The Board of Directors is responsible for overseeing the general management of the affairs, funds, and records of the Credit Union.

The Board of Directors, representative of the Credit Union's membership and the community, is given the legal corporate authority and responsibility for the achievement of the Credit Union's mission, and for its financial and operational stability in accordance with the California Credit Union Law, regulations of the California Department of Financial Institutions, and the National Credit Union Administration. Each Director is expected to become an active participant in a body that functions effectively as

a whole. In addition to assisting in the exercise of the major duties of the Board of Directors, individual directors are responsible for exercising due diligence in the performance of their duties.

The Supervisory Committee regularly meets to ensure that the Credit Union is fiscally sound and effectively serving the diverse financial needs of Members. Committee members generously volunteer their time to review internal and external audit reports, as well as financial statements. Throughout the year, the Supervisory Committee also confirms the validity of shares and loans.





## Board of Directors

### Officers:

**Jose L. Manzano**  
*Board Chair*

**Bradley P. Silcox**  
*Vice Chair*

**Dolores M. Arriola**  
*Secretary/Treasurer*

### Directors:

**Angie Avery**  
*Director*

**Becky Cool**  
*Director*

**Walter Finnigan**  
*Director*

**Justin Laird**  
*Director*

**Annie Perez**  
*Director*

**Tom Willingham**  
*Director*

(Pictured left to right, top to bottom)



## Supervisory Committee

**Morris J. Litwack**  
*Committee Chair*

**Donita Smith**  
*Member*

**Megan Hiszpanski**  
*Member*

(Pictured left to right)



**Thomas G. Lent, CPA**  
*President & CEO*

# LEADERSHIP

Our Executive Team is dedicated to providing Members with a full array of financial products at a service level that exceeds their expectations. In fact, this is the value credit unions offer. We have one constituency: to please our Members. Our goal is to be our Members' one-stop provider for all their financial services. As we evolve and grow, we will continue to focus on providing convenience, great service and innovative financial products offered at competitive rates.

**Rene M. LeJay**

*Executive Vice President & COO*

**Christopher W. Burns, CPA**

*Senior Vice President & CFO*

**Tina Fugelsang**

*Senior Vice President  
of Special Projects*

**Matthew P. Herrick**

*Senior Vice President  
of Marketing & Financial Services*

**Curt A. Bannock**

*Vice President & CIO*

**Barbara Bannister**

*Vice President  
of Human Resources*

**Beckie Delgadillo**

*Vice President  
of Branch Operations*

**Pamela Ghezzi**

*Vice President  
of Special Projects*

**Patty Jimenez**

*Vice President  
of Lending*

**Bertrand Villavert**

*Vice President & Controller*

**Tracy Koehler**

*Assistant Vice President  
of Compliance & Risk  
Management*

(Opposite page, pictured left to right, top to bottom)



# THE TEAM



# Thank You Healthcare Workers and First Responders



During the COVID-19 pandemic, healthcare workers are serving on the front lines of the virus, putting their own health at risk to protect the health of so many others.

Many of these first responders are Members at Southland, working at hospitals and medical centers in the communities surrounding our branch locations in Orange County and Los Angeles County.

At Southland, we care about our Members and communities! That's why we got involved to give back to those who are working tirelessly to ensure our safety.

Southland has donated meals to aid health care employees at the following hospitals, medical centers and other first responder organizations:

- 600 Subway meal boxes to the employees at Harbor-UCLA Medical Center in Carson, CA
- 300 Subway meal boxes and 400 Chick-fil-A meals to the employees at Los Alamitos

Medical Center in Los Alamitos, CA

- 50 lunches served to the employees at MemorialCare Medical Group in Long Beach, CA
- \$500, equaling 50 meals to the employees at the VA Hospital in Long Beach, CA
- 300 meal gift cards for the employees at Torrance Medical Center in Torrance, CA
- 450 Subway meals to the employees at Lakewood Regional Medical Center in Lakewood, CA
- 10 Jimmy John's meals to the security department at California State University, Long Beach
- 200 cafe meals to Providence St. John's Medical Center in Santa Monica, CA
- 65 Jimmy John's sandwiches to MemorialCare Urgent Care in Long Beach, CA
- 15 Raising Cane's meals to the Los Alamitos Police Department



# #CUSmile TOGETHER TODAY

For our Members and Community

Since the COVID-19 pandemic put a halt to Southland's Member appreciation events this year, we were honored to be able to give back to our Members, their loved ones, and our communities in a safe way.

Southland launched the #CUSmile Together Today sweepstakes online and on social media with various monthly themes such as "Nominate a First Responder" or "Nominate a Non-Profit" to win a \$1,000 cash giveaway. In addition, we raffled off two \$50 gift cards each month. All winners also received a Southland prize box! Entries piled in by the thousands, filled with heartwarming stories and photos of our Members. The team at Southland was touched by the thoughtful nominations and powerful stories from students, first responders, and families during such a challenging year.

The 2020 #CUSmile contest ran from July - December, 2020.



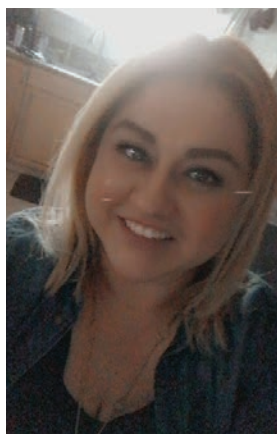
# July Nominate an essential worker



Congratulations to the winner of July's #CUSmile Together Today \$1,000 cash giveaway! Destinee was nominated by Member Marissa S. She works as an ICU nurse, is the mother of four children, and a grad student! She has been working extremely long hours treating COVID patients.

**Thank you for your service, Destinee!**

And, congratulations to July's two gift card winners, Laura A. and Raymond N.!



## August Thank you Messages

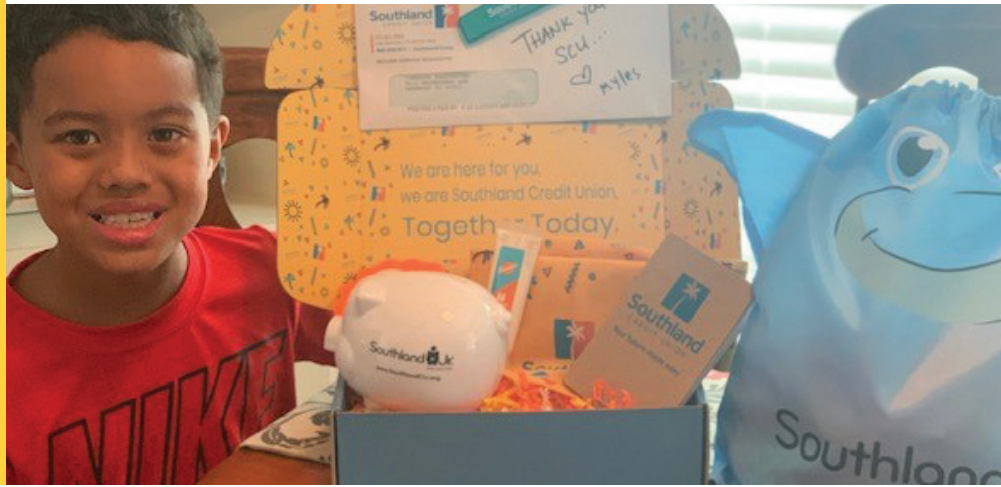
Margaret and her children created a "thank you" banner large enough to hang on the outside of her home! Margaret says, "We wanted to thank all first responders who are on the front line dealing with COVID cases and patients ... and show our support for all their hard work and dedication keeping our community safe."

And, congratulations to August's two gift card winners, Graciela A. and Shantel N.!





## September Nominate a Student



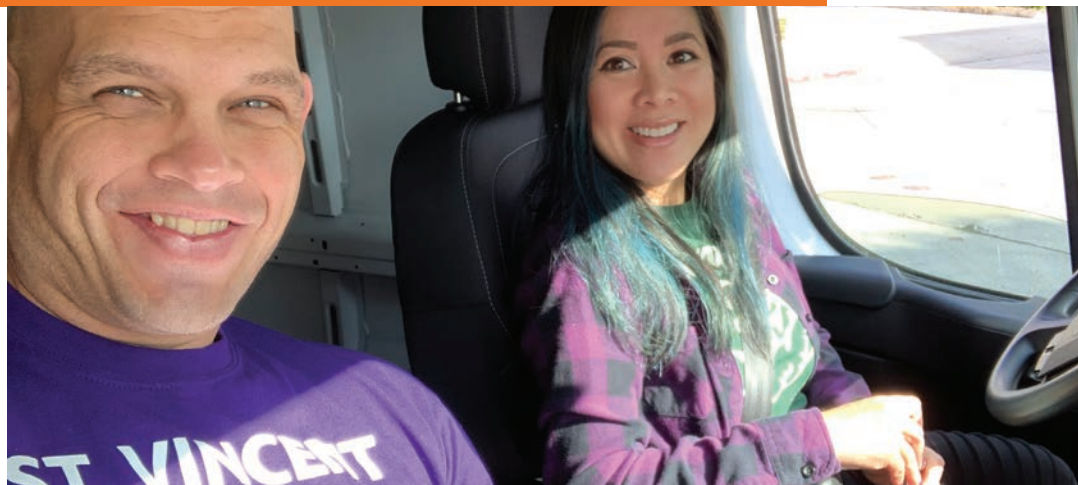
Myles is a first-grader who is currently enrolled in distance learning. His mom Jessica wrote, "With distance learning in place, he could really use a desk and chair that are his size. The only option we have right now is our dining table which is too tall for him. We would also love to get him his own Chromebook. He is using a borrowed Chromebook from the school. It is very basic and freezes up all the time. There are many days that he cannot log back into his Zoom class because of the Chromebook issue. Myles is a very good student and it would be very beneficial for him to have all the tools he needs to be successful."



And, congratulations to September's two gift card winners, Albert P. and Karina L.!

## October Nominate a Non-Profit

Our grand prize winner for October's nominate a non-profit giveaway is St. Vincent Meals on Wheels, nominated by Member Anthony C.! Volunteers like Anthony help deliver 1,800 meals daily to homebound seniors and other vulnerable residents across Los Angeles. Southland is honored to donate \$1,000 to help continue their work!



And, congratulations to October's two gift card winners, Jason K. and Breanna S.!

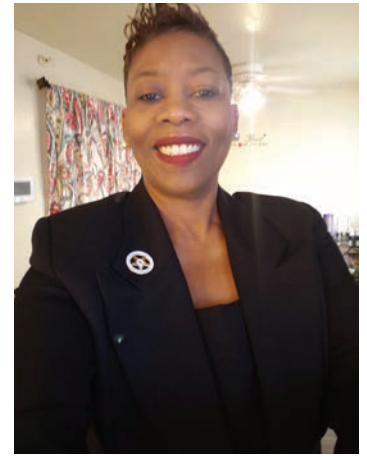
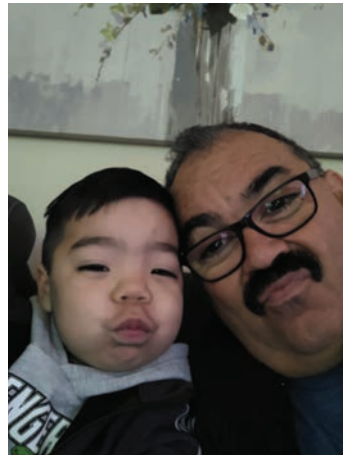


# November Nominate a family



Southland Member Paul nominated his caregiver Mirella, mother of six, for a \$1,000 boost for the holidays.

And, congratulations to two gift card winners, Hunberto and LaVon!



# December Nominate yourself

Inspired by the COVID-19 pandemic, Valerie has enrolled in a nursing program with the goal of becoming a licensed emergency room nurse so that she can serve her community on the frontline.

And, congratulations to two gift card winners, Jung and Angelica!







## COMMUNITY IMPACT

### 3,100 Meals

Delivered to first responders

### \$23,000 in Donations

to support our community

### \$600,000 in PPP Loans

40 Paycheck Protect Program (PPP) Loans



### Thousands

#CUSmile campaign donations



## MEMBER IMPACT

### 1,700+

consumer loan deferrals totaling \$30 million

### 80+

real estate loan deferrals totaling \$29.8 million

### \$60 million

combined, more than 10% of the total loan portfolio



### \$1.1 Million

Waived Member fees, including payment deferrals, Skip-a-Pay and more

### \$166,000

Emergency Loans funded

## ASSOCIATE IMPACT



### 80 Associates

working remotely in 2020

Enhanced phone system enabled more Associates to serve Members remotely



# Southland Credit Union Consolidated Statements of Financial Condition

As of December 31, 2020 and 2019 (unaudited)

<b>Assets</b>	<b>2020</b>	<b>2019</b>
Cash and Cash Equivalents	\$ 117,786,104	\$ 75,920,113
Deposits in Other Financial Institutions	348,000	2,578,000
Investment Securities:		
Available-for-Sale	286,743,017	127,868,450
Other Investments	3,894,702	3,510,402
Loans Held-for-Sale	3,682,525	3,054,696
Loans, Net	521,030,412	545,078,876
Accrued Interest Receivable	2,202,276	1,963,021
Credit Union Owned Life Insurance	28,937,739	28,362,781
Premises and Equipment, Net	17,561,107	17,651,164
NCUSIF	6,913,328	6,056,381
Other Assets	6,846,923	6,834,223
<b>Total Assets</b>	<b>\$ 995,946,133</b>	<b>\$ 818,878,107</b>
<b>Liabilities</b>		
Members' Shares and Savings Accounts	\$ 820,499,012	\$ 680,493,906
Borrowed Funds	71,700,000	40,000,000
Accounts Payable and Other Liabilities	6,333,435	6,965,677
<b>Total Liabilities</b>	<b>898,532,447</b>	<b>727,459,583</b>
<b>Members' Equity</b>		
Regular Reserve	12,887,164	12,887,164
Undivided Earnings	53,194,583	52,542,280
Equity Acquired from Business Combinations	25,686,879	25,686,879
Accumulated Other Comprehensive Income	5,645,060	302,201
<b>Total Members' Equity</b>	<b>97,413,688</b>	<b>91,418,524</b>
<b>Total Liabilities and Members' Equity</b>	<b>\$ 995,946,133</b>	<b>\$ 818,878,107</b>



# Southland Credit Union Consolidated Statements of Income

For the years ended December 31, 2020 and 2019 (unaudited)

	2020	2019
<b>Interest Income</b>		
Loans	\$ 22,880,110	\$ 23,744,716
Investment Securities and Cash Equivalents	3,868,684	3,688,100
Total Interest Income	26,748,794	27,432,816
<b>Interest Expense</b>		
Members' Shares and Savings Accounts	3,864,530	4,077,522
Borrowed Funds	1,277,345	909,143
Net Interest Expense	5,141,875	4,986,665
<b>Net Interest Income</b>	21,606,919	22,446,151
Provision for Loan Losses	2,254,000	905,000
Net Interest Income After Provision for Loan Losses	19,352,919	21,541,151
<b>Non-Interest Income</b>		
Fees and Charges	6,188,400	7,122,037
Other Non-Interest Income	1,811,099	1,416,346
Total Non-Interest Income	7,999,499	8,538,383
<b>Non-Interest Expense</b>		
General and Administrative:		
Employee Compensation and Benefits	15,046,232	14,679,773
Occupancy	2,927,665	3,105,369
Operations	4,343,471	4,376,895
Professional and Outside Services	985,861	1,079,614
Educational and Promotional	1,598,720	1,748,988
Loan Servicing	1,146,657	1,055,993
Other	651,509	1,174,631
Total Non-Interest Expense	26,700,115	27,221,263
Net Income	\$ 652,303	\$ 2,858,271



# Our Mission

We are dedicated to providing our Members with exceptional, comprehensive and innovative financial solutions, delivered with uniquely personal Southland service.





## Treasurer's Report

On behalf of the Board of Directors and Supervisory Committee, thank you for your membership in Southland Credit Union. Your volunteer Board of Directors and Supervisory Committee Members are dedicated individuals and Member advocates who work diligently to ensure the continued safety and soundness of the Credit Union.

We are dedicated to Southland's Mission of providing our Members with exceptional, comprehensive and innovative financial solutions, delivered with uniquely personal Southland service. In response to the COVID-19 Pandemic in 2020, Southland provided our Members \$30 million in fee-free consumer loan deferrals, \$29.8 million in fee-free real estate loan deferrals, over \$600,000 in Paycheck Protection Program loans, \$166,000 in Emergency loans, and waived numerous other fees. In addition, Southland returned \$3.9 million to Members in the form of dividends and interest.

Assets grew to an all-time high of \$996 million in 2020, an increase for the year of \$177 million (22%). Net income in 2020 was \$652,000, while the Net Worth ratio is a strong 9.21%. With total Members' Equity of \$97 million, Southland's Net Worth remains well above the minimum required level of 7% to be considered "well-capitalized."

At nearly \$1 billion in assets, the Credit Union is well positioned to assist our Members and serve all your and your family's financial needs now and into the future. Thank you for placing your trust in Southland.

Sincerely,

Dolores M. Arriola  
Secretary/Treasurer  
Board of Directors





# Our Vision

We will promote greater financial well-being for our Members and communities.

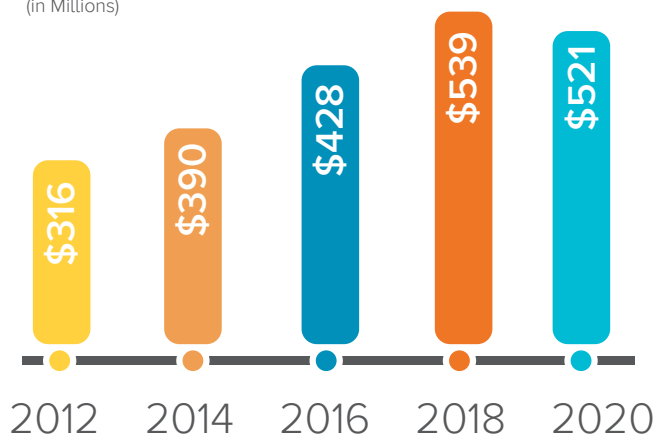


# Deposit Mix



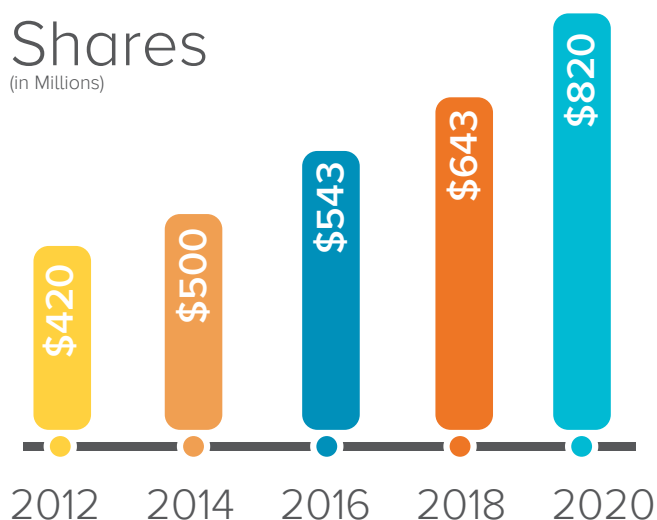
# Loans

(in Millions)

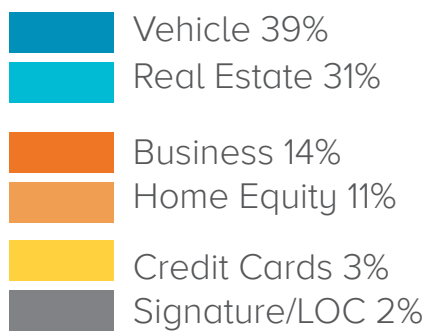


# Shares

(in Millions)

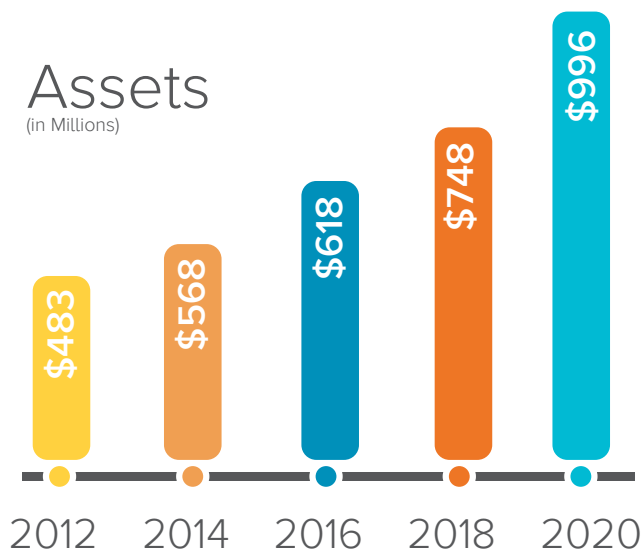


# Loan Mix



# Assets

(in Millions)





# Core Values

Our core values guide everything we do — from serving our Members' unique needs to providing resourceful, convenient services to help Members save and thrive.





# Supervisory Committee Report

The Supervisory Committee's primary responsibility is to assist the Board of Directors in fulfilling its oversight for the safety and soundness of Southland Credit Union. Consisting of three volunteers elected by the Membership, the Committee is responsible for the oversight of internal and external audits. The Committee also meets with federal and state regulatory agencies during routine examinations.

In addition, the Committee oversees Southland's annual opinion audit and Member account verification performed by an independent Certified Public Accounting firm. The independent CPA firm's audit report as of and for the years ended December 31, 2020 and 2019 indicated Southland's financial statements are fairly presented in accordance with generally accepted accounting principles. The Supervisory Committee's opinion is that Southland is financially strong and has effective internal controls to adequately protect and safeguard Members' assets. In addition, the Credit Union follows sound business practices that comply with state and federal regulations.



Sincerely,

Morris Litwack  
Committee Chair  
Supervisory Committee

# Southland

CREDIT UNION



## **CARSON—HARBOR**

510 W. Carson St  
Carson, CA 90745

## **DOWNEY**

8545 Florence Ave  
Downey, CA 90240

## **LONG BEACH**

2250 N. Bellflower Blvd.  
Long Beach, CA 90815

## **LOS ALAMITOS**

(Corporate Headquarters)  
10701 Los Alamitos Blvd.  
Los Alamitos, CA 90720

## **LOS ANGELES**

(Federal Building)  
300 N. Los Angeles St., #1244  
Los Angeles, CA 90012

## **SANTA MONICA**

525 Santa Monica Blvd.  
Santa Monica, CA 90401

## **SANTA MONICA—ST. JOHN'S**

(Koll Building-Third Floor)  
2020 Santa Monica Blvd., #300-B  
Santa Monica, CA 90404

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