

Comparative Statement of Financial Condition

	2019	2018	2017
Assets			
Cash	22,239,373	15,165,786	11,107,982
Investments	97,334,028	103,635,479	124,624,625
Loans	352,546,152	310,551,565	295,077,609
Allowance for Loan Losses	(7,518,276)	(9,758,841)	(7,171,005)
Fixed Assets	8,185,496	8,272,484	7,016,840
Other Assets	35,332,326	35,994,700	37,967,650
Total Assets	\$508,119,098	\$463,861,173	\$468,623,702
Liabilities			
Members' Deposit Accounts	445,373,342	420,190,610	421,812,520
Other Liabilities	18,964,931	3,879,705	4,742,477
Total Liabilities	\$464,338,273	\$424,070,315	\$ 426,554,997
Equity			
Regular Reserve	4,391,442	4,391,442	4,391,442
Undivided Earnings	36,679,537	34,617,467	36,309,563
Equity Acquired from Merger	5,734,532	5,734,532	5,734,532
Unrealized Accumulated Comprehensive Gain/(Loss)	(3,024,686)	(4,952,583)	(4,366,832)
Total Equity	\$43,780,825	\$39,790,858	\$42,068,705
Total Liabilities and Equities	\$508,119,098	\$463,861,173	\$468,623,702

Comparative Income Statement

	2019	2018	2017
Revenues			
Interest on Loans	17,993,764	15,724,628	13,949,920
Interest on Investments	2,494,399	2,698,148	2,637,397
Other Income	6,104,028	5,774,495	4,412,404
Total Revenue	\$26,592,191	\$24,197,271	\$20,999,721
Expenses			
Operating Expenses	18,543,752	16,383,424	16,263,147
Provision for Loan Losses	2,389,899	6,717,025	6,020,923
Member Dividends	3,473,030	2,788,919	2,076,283
Interest on Borrowed Funds	123,439	0	518
Total Expenses	\$ 24,530,120	\$ 25,889,368	\$ 24,360,871
Net Income	\$2,062,071	(\$1,692,097)	(\$3,361,150)

For 12 months ending December 31. Totals or subtotals may reflect a \$1 difference due to rounding.



Federally insured by NCUA.

2019 ANNUAL REPORT



A JOINT MESSAGE

From Our Board Chairman and President & CEO

2019 was a historic year for SkyOne Federal Credit Union in many ways. We achieved very strong financial results, surpassed \$500 Million in assets for the first time in our history, celebrated our 70th anniversary serving our members and communities and increased membership, deposit and loans with our new Multiple Common Bond Charter. While we continue to appreciate and honor our airline industry relationships, we look forward to expanding our horizons and serving a wider range of consumers who would benefit from our products, services, and most importantly, our people.

To support our plans for future growth, a new Executive Team was put in place to help create the foundation required to support the changing needs of the organization. Our new team members include Michael Carlos, Chief Technology Officer; Amy Chambers, Chief Operating Officer; Shannon Doiron, Chief Marketing Officer; Scott Ko, Chief Financial Officer; and Russ McAtee, Chief Lending Officer. In addition, Mayra A. Daigneault was promoted to Chief Human Resources Officer.

In 2019 we continued our efforts to improve the member experience. We launched a new, mobile-friendly website that provides more intuitive access to our products and services while incorporating new, useful features such as financial calculators and an enhanced location finder. We also improved our online and mobile banking services to make it easier to transfer funds and deposit checks remotely. Most importantly, we have implemented new tools and training for our staff so they can better serve our members with tailored solutions designed to meet their financial needs.

SkyOne Federal Credit Union forged two important partnerships with non-profit associations that will play a major role in our ability to serve members. The Surfrider Foundation, founded over 34 years ago, is dedicated to the protection and enjoyment of the world's ocean, waves and beaches through a powerful activist network. Additionally, The Friends of Madrona Marsh is a non-profit organization of volunteers dedicated to the preservation, education, and aesthetics of the Madrona Marsh Preserve, a 43 acre wetland preserve in Torrance, California. Both of these organizations align with our goal to support the environment, children and animals.

Board of Directors

Douglas R. Murphy	Chairman
Theodore P. Byrne	Vice Chairman
Rick R. Thompson	Treasurer
Malachy T. Coghlan	Recording Officer
John G. Clancy	Director
Willoughby E. Henshaw	Director
M. Wayne Lynch	Director

Supervisory Committee

Robin Rush	Chairperson
Grace De La Cruz	Committee Member
Agustin Salinas	Committee Member
Trina Rios	Committee Member
Sunit Kaur	Committee Member

Management Team

Joseph E. Whitaker	President & CEO
Amy Chambers	Chief Operating Officer
Mayra Daigneault	Chief HR Officer
Shannon Doiron	Chief Marketing Officer
Scott Ko	Chief Financial Officer
Russ McAtee	Chief Lending Officer
Michael Carlos	Chief Technology Officer

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As technology continues to evolve, so does our approach to protecting members' financial information. Fraud tactics continue to get more sophisticated and we are committed to helping our members avoid becoming victims. Our online and mobile banking services provide several options to help keep your accounts secured. Members are also encouraged to visit our website, www.skyone.org, where we continue to publish security tips, recent scams and financial education.

While we strive to provide value for each individual member, we are also focused on creating value for the overall membership as well. Our total members grew by 5.05% to 38,025 members, with family of existing members being the biggest source of new members. Our total loans grew by \$42.0 million, a 13.52% increase over 2018. We ended the year with a \$25.2 million increase in total deposits, which is a 5.99% increase from 2018. Our assets under management continued to increase through our partnership with broker-dealer CUSO Financial Services, L.P. to provide investment services to our members. We reached \$92.5 million in assets at the end of 2019, a 11.5% increase over 2018. Our net income for the year was \$2.06 million, which contributed to an increase in return on assets (ROA) of 0.42%. Our Net Worth ratio was 9.14%, which is considered well-capitalized by the NCUA.

We are excited about the future of SkyOne Federal Credit Union and understand that, more than ever, providing an effortless, personalized experience for our members is critical, including our online and mobile capabilities. By identifying our Digital Experience as an organizational objective, we are well-positioned to meet the increasing needs of consumers by continuing to enhance our online and mobile banking platforms as well as incorporating a human element into our overall strategic direction. Look out for more information in 2020 related to the introduction of new tools and applications. We have also launched new training for our staff, ensuring that the experience we provide members is consistent, personalized and rewarding.

Since our humble beginnings back in 1949, SkyOne Federal Credit Union is still committed to improving the lives of our members while we continue to support our local communities. We thank them for trusting us and providing the opportunity to help serve their financial needs.



Doug Murphy

Douglas R. Murphy
Chairman, Board of Directors



J E Whitaker

Joseph E. Whitaker
President & CEO



Supervisory Committee Report

Ensuring that our members' information and assets are secure continues to be our top priority. We continue to go above and beyond federally mandated audits and conduct extensive tests and audits to help strengthen our commitment to responsible and secure financial practices. The audit firm of Moss-Adams, LLP performed an Opinion Audit for the twelve months ending on June 30, 2019. We are pleased to report that the results of the Opinion Audit by the audit firm of Moss-Adams, LLP, have determined the Credit Union to be financially sound. In addition to the audits performed by our regulator (NCUA) and Moss-Adams, our Risk Management team conducted numerous internal audits and compliance reviews throughout the year.

Info@Risk, which specializes in information security assessments, continued conducting an extensive security analysis of our computer and network systems, including penetration testing, onsite branch security assessments, and social engineering. We're pleased to report that our security controls were effective in preventing access to our network and computer systems and have declared our network infrastructure to be secure. Additionally, SkyOne continues to update our internal processes and technology to ensure the safety of members' information, including system upgrades and enhanced training for employees.



Robin Rush

Robin Rush
Chairperson, Supervisory Committee

SPECIAL THANKS

To the following employees for their dedication in serving our members.

OVER 5 YEARS

Brandie Baldwin
Andrea Bruers
Elizabeth Chavez
Lawrence Curry
Mayra Daigneault
Elizabeth McMichael
Daniel Mostovoy
Paul Rivas
Lori Scantlebury
Dean Tomita

OVER 10 YEARS

Trina Alli
Melinda Barmore
Rodney Brown
Virginia Chavira
Maria Freeman
Adriana Gonzalez
Armando Gonzalez
Jennifer Gonzalez
Cristina Hartmark
Frank Merino
Maria Perez
Cesar Ramos
Crystal Stokes

OVER 15 YEARS

Kathy Cunico
Khristopher Hartmark
Eduardo Salazar
Brenda Sheppard
Bambi Louie

OVER 20 YEARS

Kelly Chaves
Dina Earl
Anni Haroutunian
Alma Rodriguez
Ismael Rodriguez

OVER 25 YEARS

Sandra Jenkins
Shaher Jiwani