



2024

ANNUAL REPORT



Chairman's Message

2024 was unlike any other year for SESLOC. With your support, it allowed us to achieve major gains compared to 2023 and secure a vision for future growth. Inflation and high interest rates affected us in many ways, including higher prices seemingly everywhere we turned. But in an environment of savings benefits, our members were able to take advantage of even higher dividend returns. During the year, we paid over \$10.31 million back to members saving with SESLOC—a 78% increase compared to 2023.

Your deposits helped the community thrive by enabling us to provide competitive borrowing solutions. As a credit union, we funded 4,735 personal and business loans, giving families more mobility with a new or used car, support in purchasing a new home, and helping small businesses grow. Your money also helped fund over 700 small-dollar loans through the launch of Instant Funds, helping your community access cash in a sustainable and responsible way.

In addition to making loans affordable, we also welcomed 191 local businesses to SESLOC, offering them affordable banking business solutions. Combined with our Local Rewards program, we continue to provide excellent value to the local business community, helping them collectively drive the economy of this very special place we call home.

Voting privileges is one of the unique benefits of being a credit union member.

Voting privileges are one of the unique benefits of being a credit union member. After an affirmative membership vote, we converted from a federally chartered credit union to a state charter, effective March 29, 2024. The day-to-day operations of our credit union didn't change: Members still benefited from our full suite of products with guaranteed insurance coverage up to \$250,000 overseen by the National Credit Union Administration (NCUA).

The change allowed us to expand our field of membership to nine counties in California's Central Coast region. This change was not to create fast growth or to become a large, impersonal financial institution. Instead, moving to a state charter allows us to make strategic and steady development towards competitive, sustainable success. We remain committed to being the best financial partner for our members here on the Central Coast.

SESLOC ended 2024 with an annual net income of \$5.93 million, a 20% increase compared to 2023. The credit union is also very well capitalized with a net worth ratio of 9.55%. No matter where you are, SESLOC is prepared to serve you, your families and your businesses for generations to come.

We also had a CEO transition in mid-June when our former CEO, Geri LaChance, retired. The Board selected Mike Quamma to lead the credit union. With Mike in his first year as SESLOC's President & CEO, there has been no slowdown to our progress. The Board has worked closely with him to expand our product and service offerings, to increase dividends and other tangible membership value, to uphold the positive workplace culture which inspires superior member service, and to support economic vitality in our local communities—all while remaining financially safe and sound. We could not be more pleased with his efforts and look forward to his continued vision in leading our credit union.

The growth we've seen this year would not be possible without you, our members. We are grateful for your dedication every day and thank you for your loyalty and allowing us to be your partner in financial wellbeing.



Tom Lebens
CHAIRMAN OF THE BOARD

BOARD OF DIRECTORS



Tom Lebens
Chairman



Dr. Gary Hoskins
Vice Chair



Anthony Cangelosi
Board Financial Officer



Derek Johnson
Secretary



Jason Francia
Director



Charlene Rosales
Director



Dr. Alden Shiers
Director

Dr. Victor (Vic) Buccola
Director Emeritus

Barbara Melvin
Director Emeritus

Jacquie Paulsen
Director Emeritus

Pauline Shaffer
Director Emeritus

**In memoriam:
Jim Park, Director**

President's Message

Speaking both personally and relative to SESLOC, 2024 has been a year of transitions. It has been an honor to work alongside the Board, Audit Committee and our amazing staff as President & CEO beginning in June, and I know our accomplishments thus far have been targeted for the full benefit of our membership. As a result, in 2024, we welcomed over 3,400 new member-owners to SESLOC.

In the last year, we empowered both new and current member-owners to earn even more money on their deposits.

In the last year, we empowered both new and current member-owners to earn even more money on their deposits. Beyond the introduction of tiered Share Certificates, which offer increased dividends for larger balances, SESLOC implemented a reverse-tier approach for our Primary Share Savings. This change means personal memberships earn our highest annual percentage yield on the first \$1,000 in their account. These updates were a win for both the everyday saver and those with higher balances.

Savings didn't just come from increased dividends. Our SESLOC Rewards program continued to support our members through reward points earned from their eligible debit and credit card activity. By the end of the year, our member-owners earned 183 million points towards cash back, travel, experiences, and other great merchandise, for a total give-back valued at \$1.83 million.

Local businesses also benefited through our Local Rewards program. Member-owners earn bonus reward points on their purchases from participating local businesses, while local establishments experience increased traffic which supports their "bottom lines." In addition, we worked with businesses to offer exclusive deals, discounts and freebies just for SESLOC members, which adds even more value and helps keep money local in our vibrant community.

We believe that everyone deserves access to fair and affordable financial services. That's why in June, we launched **Instant Funds loans**, a new short-term, small-dollar program designed to support individuals in need of emergency financial assistance. These loans are structured to help individuals make on-time payments with lower interest rates than traditional payday loans.

Creating a welcoming and safe space for all in our communities remains a priority as well. To achieve these goals, we teamed up with local media partners to provide weekly tips around financial topics including savings, credit and potential scams. And, by partnering with them to create unique events, like our *Navidad de los Niños* holiday giveaway, we're fostering a sense of inclusion for everyone who calls the Central Coast their home.

We believe that everyone deserves access to fair and affordable financial services.

Looking ahead to 2025, we're continuing to build top-tier products and technology solutions for our membership. Our goals for the coming year are to improve your experience no matter where you bank—in branch, from your home, or on your smartphone. We're focused on improving our deposit and loan account opening processes and ensuring we continue to return value to you.

I am excited to see what we can achieve together as we move forward into 2025. Thank you to our loyal member-owners, for giving us the opportunity to serve you and your families.



Mike Quamma
PRESIDENT & CEO



Passing out treats at the *Navidad de los Niños* event at our Paso Robles branch.



Presenting a financial education seminar to employees at the City of San Luis Obispo.



Mike Quamma, President & CEO, celebrates team success, presenting staff awards.

Audit Committee Report

SESLOC Credit Union's Audit Committee is appointed by the Board of Directors. We ensure the safety and soundness of credit union operations, and their compliance with federal and state regulations and our own bylaws. Through our oversight of the credit union's audit function, we assure the credit union's financial statements are fair and accurate, that member deposits are adequately protected, and the credit union's risk mitigating policies and procedures are effective.

As required by state regulation and our bylaws, we engaged an independent auditor to audit the credit union and make a full financial report. The results of the 2024 annual audit by the CPA firm Doeren Mayhew show that SESLOC is well managed and continues to perform appropriately to sustain a safe and secure future. The assistance and cooperation of staff, management, and the Board of Directors in the performance of their duties is much appreciated, as well as the time and effort of our current Committee member volunteers.

We appreciate the credit union's tremendous effort in providing exceptional financial services for the Central Coast community.

Ken San Filippo

Ken San Filippo
Chairman



Ken San Filippo
Chairman



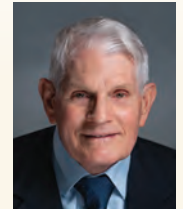
Anthony Cangelosi



Dan DeGroot



Dr. Gary Hoskins



Dr. Alden Shiers

On the Scene

1 Shredding Docs with New Friends:

Special thanks to our new Local Rewards partner *Floriano's Mexican Food* for allowing us to host our first ever Lompoc Shred Day in their parking lot.

2 Hitting the Air Waves:

We shared hundreds of financial tips on the radio in both English and Spanish.

3 Supporting Students:

We met with Allan Hancock College students to talk about our free and low cost financial services and financial education resources.

4 Celebrating Local Volunteers:

We honored nine volunteers with the *SESLOC Cares for Community Award*, for their outstanding work at local nonprofits.



FINANCIAL SUMMARY

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2023

2024

ASSETS

Loans to Members	\$ 866,881,146	\$ 849,506,250
Allowance for Loan Losses	(7,722,000)	(7,448,000)
Cash on Hand	7,803,192	8,825,275
Cash & Investments	286,202,854	255,548,740
Fixed Assets	22,427,848	19,917,339
NCUSIF Share Insurance Fund	9,652,175	9,074,369
Other Assets	7,450,105	8,439,323
Total Assets	\$ 1,192,695,320	\$ 1,143,863,296

LIABILITIES AND MEMBERS EQUITY

Accounts Payable & Other Liabilities	\$ 19,622,294	\$ 16,585,087
Borrowed Funds	60,000,000	—
Shares of Members	1,021,961,671	1,024,482,638
Undivided Earnings	102,257,045	108,185,404
Unrealized Gain/Loss	(11,145,690)	(5,389,833)
Total Liabilities & Equity	\$ 1,192,695,320	\$ 1,143,863,296

INCOME AND EXPENSES

2023

2024

INCOME

Interest on Member Loans	\$ 40,531,148	\$ 45,176,141
Income from Cash & Investments	6,093,797	5,703,748
Fees & Charges	8,024,952	7,767,322
Other Income	717,363	874,228
Total Income	\$ 55,367,260	\$ 59,521,439

EXPENSES

Dividends on Members' Shares	\$ 5,808,606	\$ 10,312,758
Compensation & Benefits	21,163,665	22,232,276
Operations	16,096,638	15,030,971
Occupancy	2,320,253	2,528,237
Interest On Borrowed Funds	2,710,124	1,278,176
Provision for Loan Losses	2,329,812	2,210,662
Total Expenses	\$ 50,429,098	\$ 53,593,080
Net Income	\$ 4,938,162	\$ 5,928,359

2024 Accomplishments at a glance



Introduced **Instant Funds loans**, a small-dollar loan and affordable alternative to traditional Payday Loans.



Became a preferred lender for Cal Poly's faculty and staff housing developments, extending our affordable home loan opportunities to the campus community.

1,700

members, students and residents attended a financial education presentation.

We hosted 10 webinars for members and 25 seminars and workshops at local businesses, on college campuses, and to various community groups.



Created an Online **Fraud Center** and Support Hub in Online Banking.



Gave Your Savings a Boost

- ◆ Offered reverse-tier rates on personal Primary Share Savings, where you earn the most on the first \$1,000.
- ◆ Launched tiered rates on select Share Certificates, where you earn more dividends on higher balances.
- ◆ Made it easier to earn a Level Up Member Benefits program Savings Point, lowering the deposit balance requirement from \$10,000+ to just \$5,000+.
- ◆ Reduced or eliminated select overdraft fees.



\$19,125

awarded in prizes for the **Save to Win** 12-month Share certificate, including one member-winner who took home the \$5,000 grand prize.



Offered **Contactless Cards**

2024 Accomplishments at a glance

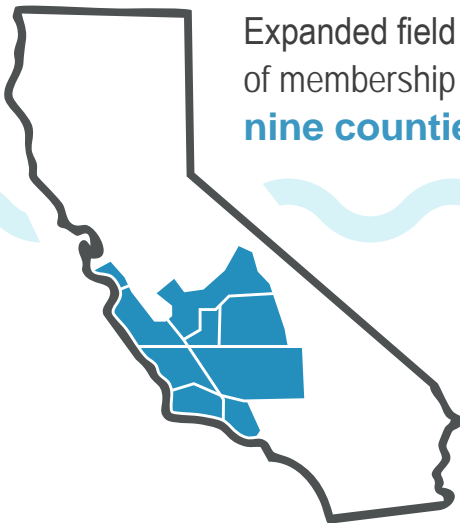


\$87,000

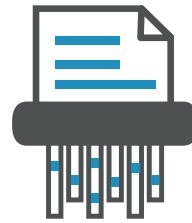
The amount **YOU** contributed to local food banks, to KSBY's "Give a Child a Book" fundraiser and to the Family Care Network's "Give Joy" holiday campaign.



Made Basic **Business Vehicle Loans** more affordable by offering an 84-month term option.



Expanded field of membership to **nine counties.**



21 TONS

of confidential documents were destroyed during Shred Days.



Offered **member-only deals** in partnership with local businesses, including *Farm Supply Company*, *Santa Barbara County Fair*, *Maya Mexican Restaurant* and *Palo Mesa Pizza*.

Plus, we hosted a VIP Center for 148 member-winners at the **SESLOC Festival of Lights** to watch the *Santa Maria Parade of Lights* in style.



RESTORED BILL PAY SERVICES

Building a Stronger Community through the Power of Education



Expanding Classroom Resources

Each month since 2013, SESLOC has awarded **Education Grants** in amounts up to \$500 for innovative and creative classroom projects and equipment that go beyond the usual classroom budgets. This program honors our roots as a credit union founded by educators.

In 2024, **\$22,138** was awarded across 47 grant recipients at these schools:

- Ace Academy
- Almond Acres Charter
- Arellanes Elementary
- Arroyo Grande High
- Baywood Elementary
- Bishops Peak Elementary
- Branch Elementary
- Cappy Culver Elementary
- Central Coast New Tech High
- Dorothea Lange Elementary
- El Camino Junior High
- Fairgrove Elementary
- Georgia Brown Dual Immersion
- Grover Beach Elementary
- Grover Heights Elementary
- Hawthorne Elementary
- Lillian Larsen Elementary
- Lopez High
- Los Osos Middle
- Maple High
- Nipomo Elementary
- Ocean View Elementary
- Oceano Elementary
- Orcutt Union School District
- Pacific Christian
- Paloma Creek High
- Patterson Road Elementary
- Paulding Middle
- Santa Lucia
- Santa Maria High
- Shell Beach Elementary
- Sinsheimer Elementary
- Templeton Elementary
- Vineyard Elementary

Promoting Financial Literacy

SESLOC proudly sponsors the **Financial Scholars** program, which provides practical financial education in the classroom to Central Coast high school students. The online curriculum covers topics like budgeting, credit, taxes, financing higher education, and more.

During the 2023-2024 academic year, 12 Central Coast high schools participated, with 125 students completing the program. This effort resulted in 5,125 hours of learning.

Students' assessment scores increased by 39% compared to the pre-test, demonstrating how valuable this education has been for the nearly 3,500 students who have completed the program since we launched in 2019.



Helping Local Teens Take a “Bite of Reality”

In 2024, we hosted a “Bite of Reality” fair for students at Central Coast New Tech High School and Pacific Beach High School. 125 teens were given a fictional occupation, family, financial debt and medical situation. The students visited various stations to “purchase” housing, transportation, food, and clothing. SESLOC helped guide their financial decisions, as we portrayed realtors, retailers, car dealers, and more, making the exercise both fun and educational.

BRANCH LOCATIONS

PASO ROBLES
705 Golden Hill Road

ATASCADERO
8380 El Camino Real

SAN LUIS OBISPO
3807 Broad Street

CAL POLY CAMPUS
1 Grand Avenue Building 65,
Room 103

ARROYO GRANDE
1399 East Grand Avenue

SANTA MARIA
2506 South Broadway

HEADQUARTERS

3855 Broad Street
San Luis Obispo

(805) 543-1816 • SESLOC.ORG

Savings are federally insured to at least \$250,000 and backed by the full faith and credit of the U.S. Government. National Credit Union Administration, a U.S. government agency.

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