





## CHAIRMAN'S REPORT

Good evening, and welcome to your Schools Federal Credit Union 2020 Annual Meeting!

My name is Enrique Boull't, and I'm the chair of the volunteer board whose responsibilities include oversight of the credit union's fiscal policies and regulatory adherence on behalf of all members. We're pleased to have so many of our members participating in our first ever virtual annual meeting. We hope that all of you are well and managing through these unprecedented times.

We want to assure you that your credit union is well positioned to continue providing all the financial products you've come to expect from SFCU. We thank you for continuing to place your trust in us and want to share that we're here for you when you need us.

## SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is responsible for ensuring that the credit union's board of directors and management establish practices and procedures that properly safeguard members' assets. In addition, the committee is responsible for securing the annual financial statement audit or agreed upon procedures from a licensed, independent auditor.

In accordance with federal law, the Supervisory Committee consists of volunteer members and functions independently of credit union management. As an independent body, the Supervisory Committee manages various internal audit procedures and monitors the resolution of any audit findings from these reviews, external auditors, or regulating entities. The Supervisory Committee also investigates any member complaints received, which weren't resolved by management to the member's satisfaction.

Based on the results of the December 31, 2018 agreed upon procedures performed by Turner, Warren, Hwang & Conrad, certified public accountants, as well as examinations conducted by federal regulators, we conclude that SFCU has adequate financial controls and is properly reporting its financial position.



# BOARD MEETING MINUTES

May 25, 2019

Knott's Berry Farm, Buena Park

## CALL TO ORDER:

Schools Federal Credit Union (SFCU) #3526 Board of Directors' (BOD) meeting was held on Saturday, May 25, 2019. The meeting was called to order at 11:59 am by Chairman Enrique Boull't. The following individuals were in attendance:

### ***Board of Directors***

Enrique Boull't • Yoshiko Fong • Jeanette Gordon • Dr. Gayle Ball-Parker • Margaret Fairlie • Jeanne Marmalefsky

Absent: Karen Hemingway

### ***Supervisory Committee***

Timothy Rosnick • Tasha Cunningham • Priti Kapoor • Arnold Blanshard

### ***Credit Union Staff***

Carlos Garrido, CEO • Philip Morgan, CFO • Catherine Stinson, Director of Lending • Dawn Williams, Office Administrator

### ***Guests***

Dr. Antoine Hawkins (Nominee for SFCU BOD) • Credit Union Members and Staff

## WELCOMING REMARKS & INTRODUCTION

Chairman Boull't welcomed everyone to the 79th SFCU Annual Meeting. He remarked that SFCU has been supporting the greater LA areas since 1939 through LAUSD (formerly known as Los Angeles City Schools), LACCD, Boys & Girls Club, CSUDH, and various other entities. He emphasized that unlike the case with some of its competitors, SFCU's goal is to serve its members (classified employees and school employees) and not the public. Chairman Boull't commented on the CU's healthy financial status and acknowledged the BOD, Supervisory Committee, staff, management, and members for their support and for attending the meeting.

## PLEDGE OF ALLEGIANCE AND INVOCATION

Chairman Boull't invited all attendees to participate in the Pledge of Allegiance.

## INTRODUCTIONS

Chairman Boull't introduced SFCU's BOD and Supervisory Committee members and stated that all of them are volunteers who are working or have worked for LAUSD, CSUDH, and LACCD. He said that Dr. Hawkins will hopefully join the BOD for the next term, replacing longtime member Ms. Jeanne Marmalefsky. He commended Ms. Marmalefsky for her dedication and commitment to SFCU and for serving on the BOD for decades.

Chairman Boull't asked Mr. Timothy Rosnick (chairman, Supervisory Committee) to introduce the committee members.



## **APPROVAL OF 2018 MINUTES**

Ms. Yoshiko Fong welcomed everyone to the annual meeting and stated that SFCU's 2018 Annual Meeting Minutes was incorporated into the 2018 pamphlet/Annual Report distributed upon arrival. A motion to approve the 2018 78th Annual Meeting Minutes was made by Mr. Wallace Fong and seconded by Rosalind Riley. The motion carried.

## **TREASURER REPORT**

Ms. Jeanette Gordon cited that SFCU's 2018 Comparative Balance Sheet is included in the 2018 Annual Report. She stated that SFCU has been growing, but the net income might be deceiving, as the CU sold its building in 2018. The report may indicate that the CU lost money, but in reality, it didn't. She commended CEO Mr. Garrido for his leadership and vision. She expects growth will continue in 2020 despite challenges, including other CUs using SFCU's name. She encouraged everyone to safeguard SFCU's name and legacy at all times.

## **INTRODUCTION OF NOMINEES AND ELECTION**

Chairman Boull't invited Ms. Fong (nominating committee chair) to introduce the three nominees (two up for reelection) for the BOD.

Ms. Fong explained the process on how the committee selects and recommends nominees to general membership for BOD positions. She encouraged members with good standing who wish to serve on the BOD to do so by collecting a 200-name petition of SFCU members and submitting their interest by the deadline.

Ms. Fong introduced the nominees as Ms. Jeanette Gordon, Karen Hemingway, and Dr. Antoine Hawkins.

A motion to reelect Ms. Gordon and Ms. Hemingway for three years and to elect Dr. Hawkins for two years for the BOD was made by Jeanette Gordon and seconded by Enrique Boull't. The motion carried.

## **CEO REMARKS**

Chairman Boull't stated that Mr. Garrido has done an excellent job in moving SFCU forward and invited him to present his remarks.

Mr. Garrido thanked everyone for attending the meeting and specially acknowledged the staff for their everyday hard work in support of school students and members. He stated that SFCU staff and management appreciate what teachers, school staff, and classified employees do for our kids. He expressed, "You take care of the kids, and SFCU will take care of you" so that our children can have a bright future.

Mr. Garrido introduced SFCU's management team and asked all CU employees to stand up and be acknowledged. He stated, "These folks come to work every day with you in mind."

Mr. Garrido recognized and thanked Local SEIU 99 representatives and SEIU VP Ms. Tania Walker, principals from schools, and representatives from various departments and services for attending the annual meeting.

Ms. Tania Walker, VP Local SEIU 99, made her remarks by thanking SFCU for its support and services to the school community, such as the financial literacy classes. She encouraged everyone to support SFCU so it could continue offering the best products, programs, and services.

## **ADJOURNMENT**

A motion to adjourn the 79th SFCU Annual Meeting was made by Dr. Gayle Ball-Parker and seconded by Mr. Garrido.

The motion carried. The meeting was adjourned at 12:56 pm.

# COMPARATIVE BALANCE SHEET

as of December 31, 2019 (Audited)

ASSETS	2017	2018	2019
Loans to Members	\$ 71,119,123	\$ 72,063,505	\$ 74,866,158
Allowance for Loan Loss	(2,322,635)	(2,409,155)	(2,215,573)
Cash and Cash Equivalents	9,485,649	7,130,807	5,852,001
Investments	39,812,518	42,376,143	43,523,109
Property and Equipment	136,178	864,506	763,965
Share Insurance Deposits	1,075,666	1,094,163	1,099,172
Account Receivables and Other Assets	3,696,539	3,504,706	3,653,757.00
<b>Total Assets</b>	<b>\$ 123,003,038</b>	<b>\$ 124,624,675</b>	<b>\$ 127,542,589</b>

LIABILITIES AND EQUITY	2017	2018	2019
Accrued and Other Liabilities	\$ 780,090	\$ 634,366	\$ 555,158
Member's Share and Deposits	106,190,382	106,968,373	108,753,792
Member's Equity	16,032,565	17,021,936	18,233,639
<b>Total Liabilities and Equity</b>	<b>\$ 123,003,037</b>	<b>\$ 124,624,675</b>	<b>\$ 127,542,589</b>

# COMPARATIVE INCOME STATEMENT

as of December 31, 2019

OPERATING INCOME	2017	2018	2019
Interest on Loans	\$ 3,551,740	\$ 3,476,436	\$ 3,644,679
Investments	553,911	894,338	1,126,981
Fees and Charges	1,797,054	1,984,588	2,092,577
<b>Total Operating Income</b>	<b>\$ 5,902,705</b>	<b>\$ 6,355,362</b>	<b>\$ 6,864,237</b>

INTEREST EXPENSE	2017	2018	2019
Dividends	\$ 216,521	\$ 221,599	\$ 289,966
Provision for Loan Loss	300,000	300,000	300,000
<b>Net Income Before Expenses</b>	<b>5,386,184</b>	<b>5,833,763</b>	<b>\$ 6,274,271</b>
Operating Expenses	(4,901,565)	(4,875,537)	(5,308,110)
<b>Net Income After Expenses</b>	<b>484,619</b>	<b>958,226</b>	<b>\$ 966,161</b>
Non Operating Income	3,242,616	61,565	55,634
<b>Net Income</b>	<b>\$ 3,727,235</b>	<b>\$ 1,019,791</b>	<b>\$ 1,021,795</b>





## CONTACT INFORMATION

### Member Service Center

(866) 458-2345

to apply for a loan, option 3

for account information, option 4

### Email

[info@schoolsfcu.org](mailto:info@schoolsfcu.org)

### Website

[www.SchoolsFCU.org](http://www.SchoolsFCU.org)

### For escalated issues:

Schools FCU (Supervisory Committee)

[admin@schoolsfcu.org](mailto:admin@schoolsfcu.org)

### +5,000 Branch Locations

(shared branch)

### +30,000 FREE ATMs

call (888) SITE-COOP

website [www.co-opcreditunions.org/locator](http://www.co-opcreditunions.org/locator)

### Mailing Address

(payments, deposits, letters)

PO Box 7003 / Compton, CA 90224-7003

### Report a lost/stolen VISA® card

Debit (888) 241-2573, Credit (800) 528-2273

### Site Locations

(open Monday – Thursday 9 am – 5 pm)

Friday 9 am – 6pm)

#### South Bay:

20101 Hamilton Ave., #150

Torrance, CA 90502

#### Los Angeles:

Oxini II Building

850 West Cesar E. Chavez

Los Angeles, CA 90012

