



our road to
SUCCESS

2026

2025

2024

2023

2022

2021

Annual Report

CHAIRMAN'S REPORT

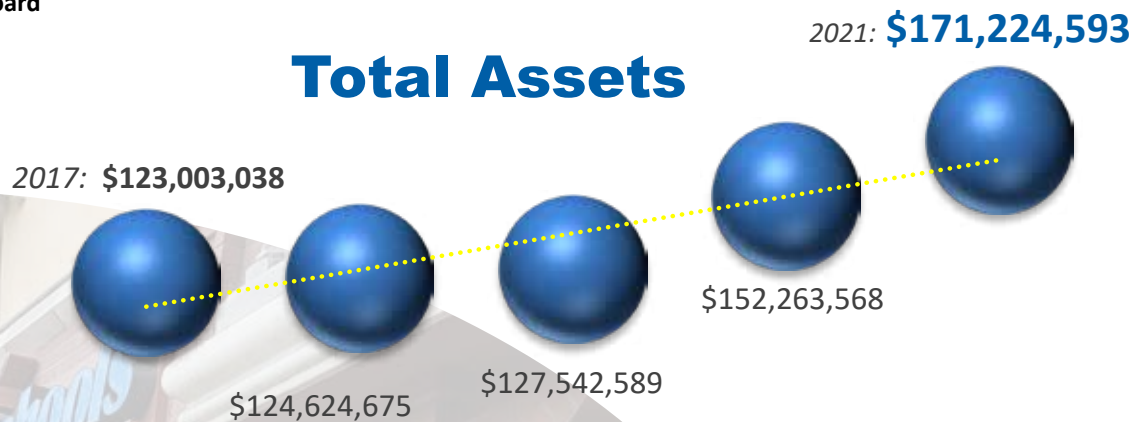
There's only one reason Schools Federal Credit Union remains as financially strong as it is today. It's because of YOU — the membership and community we serve is the sole reason we exist. When we were founded in 1939 by a group of classified employees in the Los Angeles City School District (now known as LAUSD and LACCD), we were committed to providing sound financial services geared toward improving the lives of our members. Today, our commitment to you remains the same as it was back then.

Membership participation in 2021 allowed the credit union to thrive despite the economic environment faced not only by the country but the entire world. As we continued to navigate the economic conditions of the pandemic, we remained eager to provide you with accommodations, such as deferring loan payments and offering loan programs designed to improve your financial trajectories. Despite these hurdles, we exceeded the benchmark set by our federal regulators (NCUA) and closed the year with a Net Worth ratio of 11.14%, which exceeds the threshold set of 7% for a credit union to be considered well-capitalized. Our Total Assets increased to \$171,282,713, which represents a growth of 12.5% from 2020.

We continued to proactively enhance the channels used by our members. Whether it was applying for a new loan, membership, or accessing your account online, our goal was to make these transactions as easy as possible. There's no denying that consumer behaviors are shifting as we continue to rely on our devices to do just about everything for us. Based on your feedback, we updated our mobile app and online banking interface. We look forward in introducing enhanced service options to adapt to new demands in being able to do just about anything from anywhere using remote options.

Again, because of YOU and the community we serve, Schools Federal Credit Union continues to innovate and add value to your membership. Thank you for your continued support, and we look forward to continuing our financial partnership.

Enrique Boull't
Chairman of the Board



SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is responsible for ensuring that the Credit Union's Board of Directors and management establish practices and procedures to 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 is comprised 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 were not resolved by management to 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 Schools Federal Credit Union has adequate financial controls and is properly reporting its financial position.

Supervisory Committee Members:

Arnold Blanshard (Chair), Tasha Cunningham, Priti Kapoor, Timothy Rosnick

COMPARATIVE BALANCE SHEET

as of December 31, 2021 (Unaudited)

ASSETS	2017	2018	2019	2020	2021
Loans to Members	\$ 71,119,123	\$ 72,063,505	\$ 74,866,158	\$ 75,244,053	\$ 86,139,284
Allowance for Loan Loss	(2,322,635)	(2,409,155)	(2,215,573)	(2,034,911)	(1,909,582)
Cash and Cash Equivalents	9,485,649	7,130,807	5,852,001	14,210,053	8,489,646
Investments	39,812,518	42,376,143	43,523,109	58,946,334	71,670,945
Property and Equipment	136,178	864,506	763,965	756,184	642,030
Share Insurance Deposits	1,075,666	1,094,163	1,099,172	1,232,914	1,393,493
Account Receivables and Other Assets	3,696,539	3,504,706	3,653,757.00	3,908,941.24	4,798,777.00
Total Assets	\$ 123,003,038	\$ 124,624,675	\$ 127,542,589	\$ 152,263,568	\$ 171,224,593

LIABILITIES AND EQUITY

Accrued and Other Liabilities	\$ 780,090	\$ 634,366	\$ 555,158	\$ 1,508,127	\$ 1,843,791
Member's Share and Deposits	106,190,382	106,968,373	108,753,792	131,845,829	150,255,053
Member's Equity	16,032,565	17,021,936	18,233,639	18,909,612	19,125,749
Total Liabilities and Equity	\$ 123,003,037	\$ 124,624,675	\$ 127,542,589	\$ 152,263,568	\$ 171,224,593

COMPARATIVE INCOME STATEMENT

as of December 31, 2021

OPERATING INCOME	2017	2018	2019	2020	2021
Interest on Loans	\$ 3,551,740	\$ 3,476,436	\$ 3,644,679	\$ 3,771,917	\$ 3,905,893
Investments	553,911	894,338	1,126,981	790,371	530,947
Fees and Charges	1,797,054	1,984,588	2,092,577	1,632,191	1,742,770
Total Operating Income	\$ 5,902,705	\$ 6,355,362	\$ 6,864,237	\$ 6,194,479	\$ 6,179,610

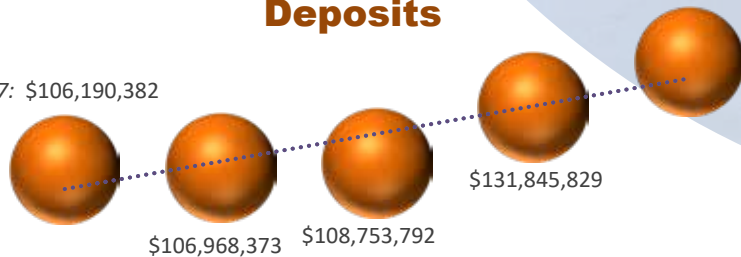
INTEREST EXPENSE

Dividends	\$ 216,521	\$ 221,599	\$ 289,966	\$ 311,828	\$ 377,632
Provision for Loan Loss	300,000	300,000	300,000	150,000	-
Net Income Before Expenses	5,386,184	5,833,763	\$ 6,274,271	\$ 5,732,651	5,801,978
Operating Expenses	(4,901,565)	(4,875,537)	(5,308,110)	(5,221,787)	(5,583,104)
Net Income After Expenses	484,619	958,226	\$ 966,161	\$ 510,864	218,874
Non Operating Income	3,242,616	61,565	55,634	54,583	53,510
Net Income	\$ 3,727,235	\$ 1,019,791	\$ 1,021,795	\$ 565,448	\$ 272,384

Deposits

2021: \$150,255,053

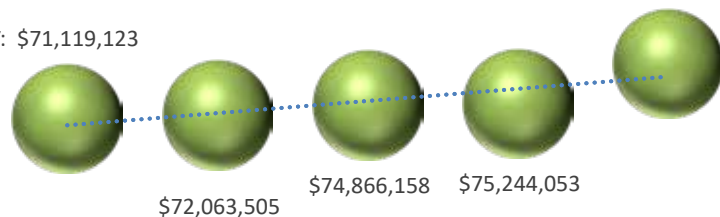
2017: \$106,190,382



Total Loans

2021: \$86,139,284

2017: \$71,119,123



BOARD MEETING MINUTES

81ST ANNUAL MEETING | TUESDAY, MAY 25, 2021 | VIRTUAL MEETING VIA ZOOM

CALL TO ORDER

Schools Federal Credit Union (SFCU) #3526 81st Annual meeting was held on Tuesday, May 25, 2021. The meeting was called to order at 5:30 pm by Chairman Enrique Boull't. The following individuals were in attendance via video conferencing:

Board of Directors

Enrique Boull't ♦ Yoshiko Fong ♦ Jeanette Gordon ♦ Margaret Fairlie ♦ Dr. Gayle Ball-Parker
Dr. Antoine Hawkins ♦ (Absent: Karen Hemingway)

Supervisory Committee

Timothy Rosnick ♦ Tasha Cunningham ♦ Priti Kapoor ♦ Arnold Blanshard

Credit Union Staff

Carlos Garrido, CEO ♦ Philip Morgan, CFO ♦ Catherine Stinson, CLO ♦ Mario Dalangpan, VP of Member Development ♦ Lorena Hernandez, VP of Operations ♦ Lilian Pate, Branch Manager ♦ Francis Gosun, IT Manager ♦ Denise Milles, Administrative Assistant ♦ Janet Sanchez, Call Center Manager ♦ Martha Franco, Branch Manager ♦ Lorretta McDowell, Real Estate Lending Manager ♦ Joanna Estrada, Consumer Lending Manager ♦ Mr. Andy Foster, Controller

Guests

Arick Gevorkian, Recorder

GREETING REMARKS, INVOCATION, AND PLEDGE OF ALLEGIANCE

Chairman Boull't invited Dr. Hawkins to deliver the Invocation and Mr. Foster to lead the Pledge of Allegiance. However, due to technical difficulties, Chairman Boull't invited all attendees to recite the Pledge of Allegiance.

PROCEDURES AND HOUSEKEEPING RULES FOR THE ANNUAL MEETING

Mr. Dalangpan, VP of Member Development, introduced himself and stated that he has served the membership since 2011. He explained the (Zoom video conference) meeting's housekeeping procedures, tools, interaction modes, and instructions to ensure participant engagement with the panelists and hosts. He further stated that SFCU would have ten \$100 Giveaways for Amazon Electronic Gift Cards during the meeting to show SFCU's appreciation for its members. Participants were automatically included in the drawings (randomizer wheel) when they registered to attend the meeting. Winners were going to receive emails from SFCU with the gift cards. Mr. Dalangpan announced the first two winners of the \$100 Amazon Electronic Gift Card drawing: Sherrill Fisher, followed by Jacqueline Brown.

INTRODUCTIONS

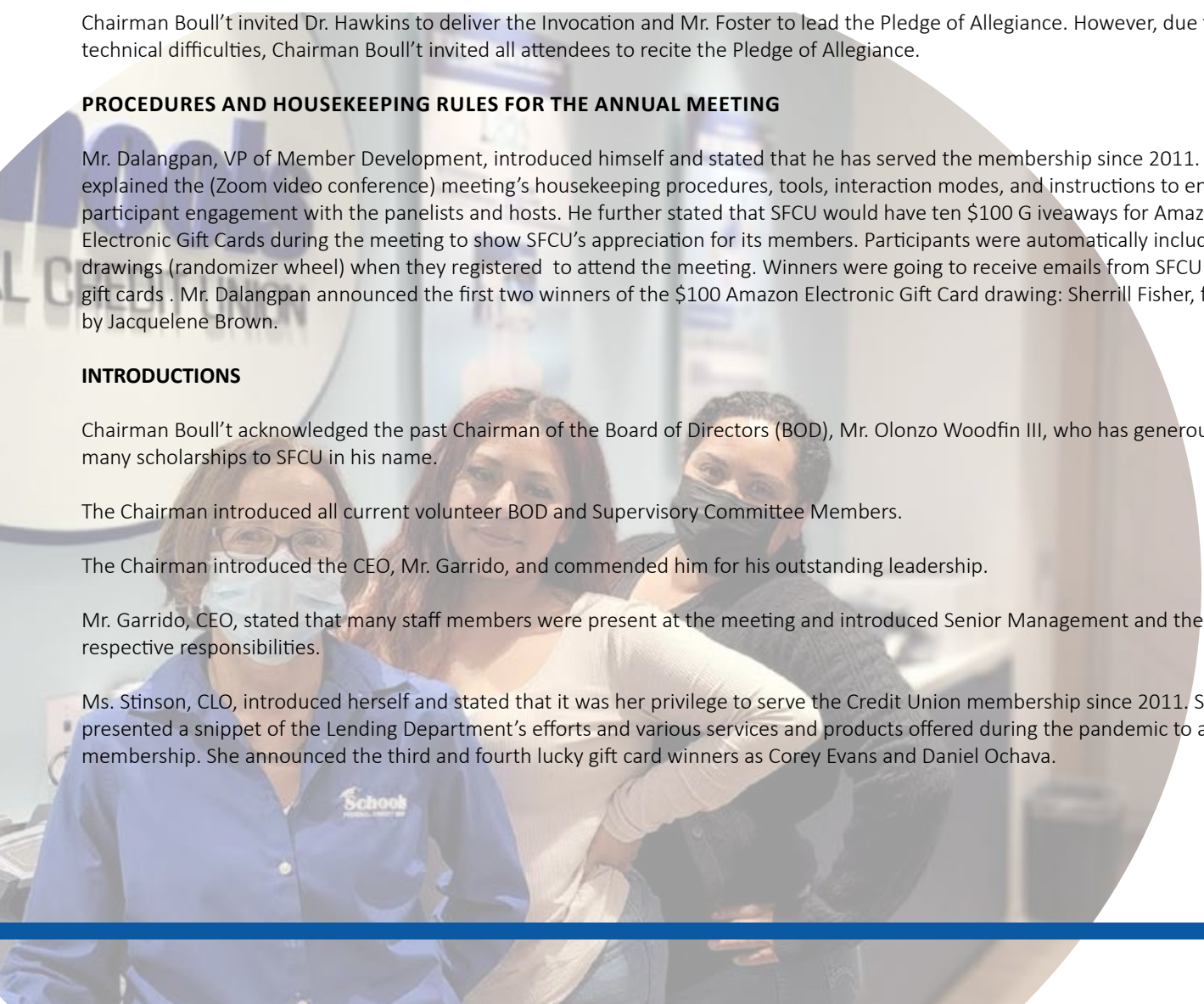
Chairman Boull't acknowledged the past Chairman of the Board of Directors (BOD), Mr. Olonzo Woodfin III, who has generously given many scholarships to SFCU in his name.

The Chairman introduced all current volunteer BOD and Supervisory Committee Members.

The Chairman introduced the CEO, Mr. Garrido, and commended him for his outstanding leadership.

Mr. Garrido, CEO, stated that many staff members were present at the meeting and introduced Senior Management and their respective responsibilities.

Ms. Stinson, CLO, introduced herself and stated that it was her privilege to serve the Credit Union membership since 2011. She presented a snippet of the Lending Department's efforts and various services and products offered during the pandemic to assist the membership. She announced the third and fourth lucky gift card winners as Corey Evans and Daniel Ochava.



CHAIRMAN OF THE BOARD REPORT

Chairman Boull't stated that details of his remarks were in the Credit Union's 2020 Report and remarked that, despite the previous year's unprecedented challenges, it was fulfilling to see how the Credit Union overcame the pandemic hurdles and concluded the year with a healthy and stable financial outlook. He commented on the collective efforts and the hard work of Management and staff, who adopted and adapted to new practices and enhanced products and services using remote channels and digital platforms to assist the needs of members. He stated Management and staff worked diligently to make sure membership had the support of its Credit Union during uncertain times, which included the loss of jobs, diminished or reduced incomes, and financial hardships. He reflected on SFCU's history, evolution, and progress since 1939 with the guidance and charter to provide financial services to its field of underserved membership. He stressed that SFCU's success is attributed to the critical concept of members helping members.

Chairman Boull't stated that, moving forward, SFCU would continue addressing its members' needs and wants and that it would strive to meet expectations. SFCU continues to collaborate with LAUSD, LACCD, Boys & Girls Club, and other educational entities associated with the Credit Union to provide products and services for current times and the future. He thanked the membership for having faith in the Credit Union and for their support. He assured that SFCU would continue to be available and ready to support and assist members with their financial needs and wants.

TREASURER REPORT

Ms. Gordon, Treasurer, presented an overview of 2020 financials (as of December 31, 2020) and stated that SFCU's assets were increased by nearly \$25M and closed at \$152M, compared to 2019 (at \$127M). In hindsight, the Net Income decreased by nearly \$565K due to the loss of fees and a decline in investment income. She stated that 2021 would be a better year financially. She echoed the Chairman's remarks regarding the Credit Union and stated that SFCU continues to be strong and financially sound, despite financially bigger competitors.

SUPERVISORY COMMITTEE REPORT

Mr. Blanshard, Chairman of the Supervisory Committee, recapped the Committee's responsibilities to ensure the BOD, Management, Officers, and Staff follow the Agreed Upon Procedures and adhere to policies and processes. As an independent body, the Supervisory Committee volunteers manage various internal audit procedures and monitor the resolution of any audit findings from reviews, external auditors, and regulating entities.

The Supervisory Committee also investigates any member complaints received that may not have been resolved by Management to the member's satisfaction.

Mr. Blanshard expressed his gratitude to the volunteers of the Supervisory Committee for their time and efforts.

INTRODUCTION OF NOMINEES

Ms. Fairlie, Nominating Committee Chair, introduced the 2021 BOD nominees, Ms. Fong, Dr. Ball-Parker, and Dr. Hawkins, who are currently serving on the BOD. She followed by reading their respective bios. Ms. Fairlie stated there were no other nominations submitted outside of the three candidates.

A motion to approve the slate of nominees, for Ms. Fong, Dr. Ball-Parker, and Dr. Hawkins to serve for another term on SFCU BOD, was made by Ms. Gordon, seconded by Ms. Fairlie. The motion carried.

Chairman Boull't congratulated the elected BOD members and thanked them for their time and service for the benefit of SFCU. He invited Mr. Morgan, CFO, to announce the next gift card winner.

Mr. Morgan, CFO, introduced himself and stated that 2020 was indeed a tough year for many financial institutions. However, SFCU weathered the storm very strongly and came out as profitable and financially strong as before. He stated the Credit Union would be able to continue its growth and strength going into 2021. He announced Annette Rayas, followed by Ronda Pratt, as the next two winners of the Amazon gift cards.

APPROVAL OF 2020 MINUTES

A motion to approve the 2020 80th Annual Meeting Minutes was made by Ms. Gordon, seconded by Dr. Hawkins. The motion carried.

Ms. Hernandez, VP of Operations, introduced herself and stated she has served the membership since 2012. Ms. Hernandez presented an overview of her responsibilities to improve and implement efficiencies and processes to serve the membership to its fullest. As a token of appreciation for the membership's support, Ms. Hernandez announced Claudia Galicia, followed by Maria Garcia, as the next two winners of Amazon gift cards.

CEO REMARKS

Mr. Garrido welcomed everyone to the Annual Meeting and shared that he has enjoyed serving the membership for 31 years. He has had the pleasure to work with several BOD members, staff, and membership and has witnessed many challenges and changes in the district and field of membership. At the end of the day, he feels blessed to have a family like SFCU, with caring, committed, and competent BOD, volunteers, frontline staff, Supervisory Committee, and management team serving the Credit Union and membership.

He stated that 2020 was an incredibly difficult year, when staff and Management feared and faced uncertainties and when a few team members contracted the virus, which added to the challenges for the Credit Union and its departments. However, the staff endured with a smile and so did the members. Mr. Garrido thanked the membership for their patience, consideration, support, and understanding, as they were facing the same pandemic issues and challenges as our staff members, and we all witnessed the true meaning of people helping people to overcome adversities.

Mr. Garrido introduced the team members and leaders who supported the frontline staff during the challenging times and who continue to diligently serve the needs and wants of the membership. He acknowledged the following team members:

- Ms. Sanchez, Call Center Manager. Her department receives and services about 6,000 calls a month with a smile.
- Ms. Pate, Los Angeles Branch Manager, and Ms. Franco, South Bay- Torrance Branch Manager. Ms. Franco has been with SFCU for 23 years.
- Ms. McDowell, Real Estate Lending Manager, assists members with their real estate needs.
- Ms. Estrada, Consumer Lending Manager, has been a dedicated longtime SFCU employee serving members with consumer loans. Ms. Estrada collaborates with other departments, including Marketing and membership drives.
- Mr. Foster, the Controller, works very closely with our CFO to make sure the Credit Union's funds are well spent.
- Mr. Garrido thanked the membership for their support and loyalty in 2020 and wished everyone a blessed 2021 and beyond.
- On behalf of the Board of Directors, Supervisory Committee, and staff, Chairman Boull't commended Mr. Garrido for his leadership, forward-thinking, and planning, and for guiding SFCU effectively during the particularly challenging times.
- Mr. Garrido announced Gina Obryant, followed by Micki Robinson, as the next two winners of the Amazon gift cards.

OLD AND NEW BUSINESS

None

ADJOURNMENT

Chairman Boull't thanked everyone again for joining the required Annual Meeting and congratulated the members who won the gift cards. He conveyed his hopes to see everyone in person at the 82nd Annual Meeting in 2022. The 2021, 81st SFCU Annual Meeting was adjourned at 6:16 pm.



founded by LAUSD and LACCD employees in 1939

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