

85th Annual Meeting Minutes

Welcome and Call to Order - Schools Federal Credit Union (SFCU), Charter - 84th Annual meeting was held on Saturday, June 29, 2024, at Knott's Berry Farm (Gold Rush Picnic Area), Buena Park, CA. The meeting was called to order at 11:45 am by Board of Directors (Board) member Enrique Boull't.

Board of Directors in attendance: Enrique Boull't, Yoshiko Fong, Secretary, Jeanette Gordon, Treasurer, Dr. Gayle Ball-Parker, Dr. Antoine Hawkins

Supervisory Committee in attendance: Tasha Cunningham, Priti Kapoor, Miriam Hironimus, Samuel Gonzales

Credit Union Staff in attendance: Carlos Garrido, CEO, Philip Morgan, CFO, Catherine Stinson, CLO, Janet Sanchez, Compliance Manager, Lorena Hernandez, VP of Operations, Philip Morgan, CFO, Francis Gosun, IT Manager, Andy Foster, Controller, Alina Flores, Daisy Fuentes, Gabriela Diaz, Daniel Aispuro, Miranda Brown, Maria Contreras, David Franco, Karla Vasquez, Nancy Cortez, Jaqueline Vasquez, Lillian Pate, Maria DiMassa, Joanna Cardenas
Guests in attendance: Arick Gevorkian, Recorder

Invocation, and Pledge of Allegiance - Mr. Boull't greeted the members and attendees and thanked them for joining the SFCU 84th Annual Meeting. He expressed his gratitude to the members for their trust in SFCU. Mr. Foster initiated the Invocation. Ms. Eileen Garrido recited the Pledge of Allegiance.

Introduction - Mr. Boull't introduced the Board and the Supervisory Committee members and thanked them for their service and volunteerism. He also acknowledged the Credit Union's staff for their hard work and welcomed members, representatives, and special guests from LAUSD, LACCD, CSDH, and SEIU.

Approval of the 2023 Annual Meeting Minutes - Secretary -Yoshiko Fong welcomed everyone and requested approval of the 2023 Minutes. A motion to approve the 2023 Annual Meeting Minutes was made by a member and seconded by another member. The motion carried.

Treasurer's Report - Treasurer Gordon applauded SFCU's management and staff for their undivided commitment and presented a summary of 2023 financials (details in Annual Report/Pamphlet). The Credit Union ended the year with Total Assets of \$175M marking a growth of 37.5% over the past five years. This achievement was a testament to the loyalty of our membership. Total Operating Income reached \$7.8M, with \$4.5M from interest on loans, \$1.4M from investments, and \$1.9M from fees. After expenses, the Credit Union's Net Income was \$877K. Notably, the amount of dividends and interest paid to our members on their deposits increased by \$320K, representing a 66% increase from 2022. This was our way of rewarding our members for entrusting us with their deposits. Overall, CU's capital ratio ended at 12.20% for the year, well above the 7% threshold required by our federal regulator NCUA, which considers SFCU to be well-capitalized. Mr. Boull't remarked that Newsweek, a distinguished nationwide publisher, had acknowledged Schools FCU as one of America's Best Credit Unions for 2024.

Supervisory Committee Report - Interim Chair of the Supervisory Committee- Ms. Cunningham greeted the attendees and presented a summary of the Committee's responsibilities and duties. She stated that the Committee members are volunteers who operate independently and manage internal audits, ensuring the Board and Management establish practices to safeguard the assets of the membership. The audits also ensure that accounting records and reports accurately reflect the Credit Union's financial position and operations, thus protecting our members' assets. The Committee investigates unresolved member complaints and monitors audit findings and is also responsible for providing reasonable assurance that regulations, policies, and procedures that govern the institution are in place and properly followed. Additionally, the Committee is responsible for securing the annual financial statement audit or agreed-upon procedures from a licensed, independent auditor. Based on December 31, 2023, procedures by Turner, Warren, Hwang & Conrad, CPAs, and federal examinations; Schools Federal Credit Union is financially sound and has maintained accurate financial controls and reports following the established policies and procedures. On behalf of the Committee, Ms. Cunningham expressed her appreciation to the Board of Directors, Management, and staff for their continued support. Ms. Cunningham acknowledged the late Dr. Arnold Blanshard's family in attendance and stated Dr. Blanchard's invaluable contributions to School FCU and that he will be greatly missed and fondly remembered.

Introduction of Nominees - Mr. Boull't introduced the 2024 Board nominees. Ms. Yoshiko Fong (a member since 1979), Dr. Gayle Ball-Parker, and Dr. Antoine Hawkins serve on the Board. He

presented a recap of their bios. (Bios-www.schoolsfcu.org/incumbents-selected-to-serve-new-terms/). A motion to approve the nominees; Ms. Yoshiko Fong, Dr. Gayle Ball-Parker, and Dr. Antoine Hawkins, to serve for another term on the Schools FCU Board was made by a member, seconded by another member. The motion carried.

Chairman's Report - Dr. Hawkins presented highlights of Chair Margaret Fairlie's message (printed in the Annual Report/Pamphlet) and reiterated that Schools FCU was founded in 1939 by a group of dedicated classified employees from the Los Angeles Unified School District and the Los Angeles City College District. From that day we have stayed true to our original mission of "People helping people".

Old and New Business - None.

Close - Mr. Boull't again conveyed his appreciation to all and thanked the members for being part of Schools FCU. The 84th Schools FCU Annual Meeting was adjourned at 12:08 pm.

Chairperson's Message

It is an honor to serve my first year as Chair of Schools Federal Credit Union. I am deeply inspired knowing that our Credit Union has proudly served the educational community since 1939. Founded by a group of classified employees in partnership with the Personnel Commission Division at LAUSD, we were built on the core value of people helping people. That founding principle still guides every decision we make—from developing new products to improving services that put our members first.

2024 was another solid year for our Credit Union. We received high ratings from both federal and private auditors, and we closed the year with a capital ratio of 12.22%, a clear indicator of financial strength and operational efficiency. This strong foundation allows us to continue reinvesting in programs that benefit our members directly.

We have made several operational improvements this year. Call Center hours were extended to better fit members' schedules. We enhanced security for debit and credit card usage and monitored deposit rates to ensure members received competitive earnings. We also continued to offer one of the highest-yield savings accounts tailored to help school employees save in preparation for the summer months.

Our lending programs were also strengthened to support members through every financial stage. Our "Meet or Beat" Auto Loan program helped many members reduce their loan costs by offering competitive rates and refinancing options. Rate adjustments were made thoughtfully throughout the year with the goal of delivering value and savings.

In addition to providing financial services, we remain committed to uplifting the communities we serve. We actively support education-focused events, community events, sponsor employee recognition programs, and participate in new employee orientations within LAUSD and LACCD. Our outreach efforts are designed to empower our members with the tools and knowledge to make sound financial decisions.

Looking ahead, a major goal we are undertaking is to promote financial literacy among our future leaders—the youth. Teaching the importance of budgeting, managing accounts, building credit, and understanding its long-term impact is essential to creating a strong financial foundation. By empowering young people with this knowledge, we're not only helping them individually—we're strengthening our communities as a whole. This will benefit us all!

It is humbling to serve as a volunteer for an organization so deeply rooted in service and community. I've always believed in giving back, and I'm proud to be part of an organization that puts people first, values every member's journey, and remains focused on improving the financial well-being of our membership.

Dr. Gayle Ball-Parker, Board Chair

**Schools**
FEDERAL CREDIT UNION

Founded by LAUSD and LACCD Community in 1939

Serving
Members since
1939

2024 Annual Report



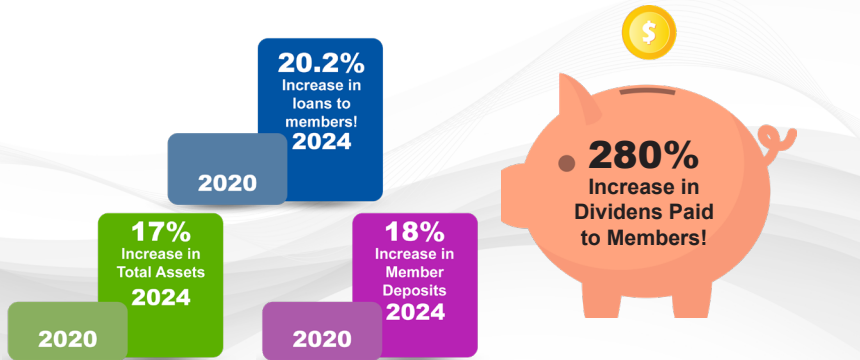
Treasurer's Report

As of December 2024, our total assets surpassed \$178 million, reflecting a growth of over 17% since 2020. Loans to members reached \$90.4 million, marking a 20.2% increase during the same period. Member deposits rose to \$155 million, and this strong growth contributed to nearly \$1.2 million in interest paid to members—an increase of approximately 280% compared to 2020. By year-end, our Credit Union remained profitable, closing the year with a net income of approximately \$446,000. Our capital ratio stood at 12.21%, which is well above the threshold our federal regulators define as well-capitalized—further demonstrating our financial strength and stability.

Sincerely,
Jeanette Gordon, Treasurer

How We've Grown from 2020

In the past five years, we've grown and have provided members with more value than ever before.



Supervisory Committee Report

The Supervisory Committee is an independent, volunteer body entrusted with safeguarding member assets by ensuring that the Board of Directors and management follow sound business practices. Our responsibilities include overseeing internal audits to confirm that accounting records accurately represent the financial position and operations of the Credit Union.

We also review and investigate unresolved member concerns, monitor the resolution of audit findings, and verify compliance with applicable regulations, policies, and procedures.

Each year, we engage an independent audit firm to conduct a review of the financial statements or perform agreed-upon procedures. For the year ending December 31, 2024, Turner, Warren, Hwang & Conrad, CPAs completed their review. Based on their findings, along with results from federal regulatory examinations, we affirm that Schools Federal Credit Union remains financially sound, with accurate financial reporting and robust internal controls in place.

Respectfully submitted,
Tasha Cunningham, Committee Chairperson

SchoolsFCU.org

(866) 459-2345



Funded over 10.8 million in Auto Loans

COMPARATIVE BALANCE SHEET

ASSETS	2020	2021	2022	2023	2024
Loans to Members	\$ 75,244,053	\$ 86,139,284	\$ 96,371,552	\$ 90,413,582	\$ 90,481,899
Allowance for Loan Loss	(2,034,911)	(1,909,582)	(841,930)	(764,482)	(847,375)
Cash and Cash Equivalents	14,210,053	8,489,646	5,242,312	7,455,197	5,684,569
Investments	58,946,334	71,670,945	70,628,413	71,531,769	76,875,598
Property and Equipment	756,184	642,030	493,307	392,490	342,131
Share Insurance Deposits	1,232,914	1,393,493	1,478,123	1,480,209	1,447,178
Account Receivables and Other Assets	3,908,941.24	4,798,777	4,273,238	4,895,362	4,651,986
Total Assets	\$ 152,263,568	\$ 171,224,593	\$ 177,645,015	\$ 175,404,125	\$ 178,635,986

LIABILITIES AND EQUITY

Accrued and Other Liabilities	\$ 1,508,127	\$ 1,843,791	\$ 3,477,036	\$ 2,032,692	\$ 1,351,971
Member's Share and Deposits	131,845,829	150,255,053	153,698,727	151,970,255	155,436,908
Member's Equity	18,909,612	19,125,749	20,469,252	21,401,177	21,847,107
Total Liabilities and Equity	\$ 152,263,568	\$ 171,224,593	\$ 177,645,015	\$ 175,404,125	\$ 178,635,986

COMPARATIVE INCOME STATEMENT

as of December 31, 2024

OPERATING INCOME	2020	2021	2022	2023	2024
Interest on Loans	\$ 3,771,917	\$ 3,905,893	\$ 4,131,371	\$ 4,474,466	\$ 4,770,098
Investments	790,371	530,947	1,025,220	1,361,741	1,948,406
Fees and Charges	1,632,191	1,742,770	1,839,478	1,931,376	2,006,141
Total Operating Income	\$ 6,194,479	\$ 6,179,610	\$ 6,996,068	\$ 7,767,582	\$ 8,724,645

INTEREST EXPENSE

Dividends	\$ 311,828	\$ 377,632	\$ 486,464	\$ 805,545	\$ 1,190,472
Provision for Loan Loss	150,000	-	(617,853)	440,328	635,605
Net Income Before Expenses	\$ 5,732,651	\$ 5,801,978	7,127,457	6,521,709	6,898,568
Operating Expenses	(5,221,787)	(5,583,104)	(5,743,073)	(5,693,333)	(6,504,252)
Net Income After Expenses	\$ 510,864	\$ 218,874	1,384,384	828,375	394,316
Non Operating Income	54,583	53,510	57,694	48,750	51,613
Net Income	\$ 565,448	\$ 272,384	\$ 1,442,077	\$ 877,125	\$ 445,929



Funded over \$ 6.2 million in unsecured loans