

85th Annual Meeting Minutes

Welcome and Call to Order

On Saturday, May 31, 2025, the 85th Annual Schools Federal Credit Union (SFCU), Charter 3526, Board of Directors (Board) meeting was held at Knott's Berry Farm (Gold Rush Picnic area), Buena Park, CA. The meeting was called to order by Chair Ball-Parker at 11:10 am. The following individuals attended:

Board of Directors Dr. Gayle Ball-Parker, Enrique Boull't, Yoshiko Fong, Karen Hemingway, Dr. Antoine Hawkins

Supervisory Committee: Tasha Cunningham, Lisa Marine, Miriam Hironimus, Samuel Gonzales

Credit Union Staff: Carlos Garrido, CEO, Philip Morgan, CFO, Lorena Hernandez, VP of Operations, Mario Dalangpan, VP of Member Development, Francis Gosun, IT Mgr, Denise Mills, Administrative Assistant, Andy Foster, Controller, Janet Sanchez, Compliance Mgr, Daniel Aispuro, Branch Mgr, Lillian Pate, Branch Mgr, Joanna Estrada, Lending Mgr, Johana Diaz, Collections Mgr, Sara Tago, Maribel Gonzalez, Brandy Lopez, Miranda Brown, Maria Contreras, David Franco, Maria DiMassa, Daisy Fuentes, Mari Nasiry, Karla Vasquez, Nancy Cortez, Vanessa Nuno, Kimberlee Lupercio, Claudia Reyes, Joanna Cardenas, Joanna Cardenas

Guests: Arick Gevorkian, Recorder

Greeting Remarks, Invocation, and Pledge of Allegiance - Dr. Ball-Parker greeted the SFCU family, members, and attendees and thanked them for joining the Schools Federal Credit Union's 85th Annual Meeting. She stated that the Credit Union has served its members since 1939 with the mission of "People Helping People" and expressed her gratitude to members for their trust in Schools FCU.

- Mr. Foster initiated the Invocation.
- Ms. Eileen Garrido recited the Pledge of Allegiance.

Introduction - Vice Chair, Boull't introduced the Board of Directors and members of the Supervisory Committee and thanked them for their service and volunteerism. He then acknowledged the Credit Union's staff and management for their hard work. He welcomed representatives and special guests from LAUSD, LACCD, CSDH, SAA, CSEA, SEIU, and various LAUSD departmental representatives.

Approval of the 2024 Annual Meeting Minutes - Secretary Fong welcomed everyone and requested approval of the 2024 Minutes.

- A motion to approve the 2024 Annual Meeting Minutes was made by a member and seconded by another member. The motion carried.

Chair Report - Dr. Ball-Parker underlined sections of her message as printed in the 2024 Annual Report (pamphlet) and stated that it was an honor to serve her first year as the Chair of Schools Federal Credit Union. She expressed that she was inspired that Schools FCU was founded in 1939 by a group of resolute classified employees from the Los Angeles Unified School District and the Los Angeles City College District. Dr. Ball-Parker highlighted a few notable achievements from 2024, including operational improvements, programs, services supporting education-focused events, promoting financial literacy, and receiving high ratings from both federal (NCUA) and private auditors. She stated that she was proud to be a part of an organization that puts people first, values every member's journey, and remains committed to improving the financial well-being of its membership.

Treasurer's Report - On behalf of Treasurer Ms. Gordon, CFO Morgan reported that the Credit Union was stable and financially strong. He highlighted that as of December 2024, Schools FCU's total assets surpassed \$178M, reflecting a growth of over 17% since 2020. Loans reached \$90.4M with a 20.2% increase for the same period. Members deposited \$155M, and the strong growth contributed to almost \$1.2M in interest paid to members for an increase of approximately 280% compared to 2020. By year-end, the Credit Union remained profitable and closed the year with a net income of approximately \$445K. Capital ratio remained at 12.21%, which was well above the threshold set by federal regulators. Mr. Morgan thanked the members for their confidence in Schools FCU.

Supervisory Committee Report - Ms. Cunningham, Chair of the Supervisory Committee, welcomed everyone and introduced the members of the Committee on stage. She highlighted a few points from the Annual Report pamphlet and briefly explained the responsibilities of the Committee. She was happy to report that the Credit Union had no member and/or NCUA

complaints for the entire year. She reaffirmed that the Credit Union was financially sound, with accurate financial reporting and robust internal controls in place.

Introduction of Nominees - Ms. Fong introduced the 2025 Board nominees and presented a recap of their bios for the incumbents, Ms. Jeanette Gordon and Ms. Karen Hemingway, who currently serve on the Board. (Bios-www.schoolsfcu.org/incumbents-selected-to-serve-new-terms/)

- A motion to approve the nominees, Ms. Jeanette Gordon and Ms. Karen Hemingway, to serve for another three-year term on the Schools FCU Board, was made by a member, seconded by another member. The motion carried.

Old and New Business - None.

Adjournment - Mr. Boull't acknowledged the Credit Union's staff for attending the Annual Meeting on their day off and thanked them for their service and commitment. Mr. Boull't once again conveyed his and the Board's appreciation to all and thanked the members for being a part of Schools FCU.

The 85th Schools FCU Annual Meeting was adjourned at 11:23 am.

Board Chair Statement

Dear Members,

2025 was another successful year for Schools Federal Credit Union. Despite continued market volatility and economic uncertainty, we remained grounded in the mission that has guided us since 1939: *People Helping People*. Through every challenge, our commitment to serving our members, supporting our communities, and staying true to our educational roots remained stronger than ever.

Community continues to be at the center of everything we do. In 2025, the Credit Union gave back more than \$280,000 through sponsorships, partnerships, and outreach efforts benefitting organizations such as LAUSD, LACCD, and CSUDH. From supporting educational programs and student initiatives to recognizing employees and strengthening local partnerships, we remain deeply committed to the communities that have supported us for generations.

Our members also continued to benefit from the competitive products and services that define Schools Federal Credit Union. Throughout the year, we maintained some of the lowest auto loan rates in the market, helping members reduce borrowing costs and keep more money in their pockets. In 2025, we funded more than \$13 million in auto loans, representing nearly a 28% increase over the previous year. This growth reflects the trust our members place in us and our continued focus on delivering meaningful value.

We were also proud to welcome more than 1,400 new members to the Credit Union, with approximately 70% coming directly from our core field of membership and their families. By year end, membership grew to more than 17,000 members. As we continue to grow, we remain committed to developing programs tailored to the needs of the educational community, particularly employees and families connected to LAUSD and LACCD.

One example is our Summer Safeguard savings account, designed to help school employees prepare financially for the summer months. At the close of 2025, the account offered a 6.60% APY, providing a savings option well above market averages. Having dedicated my career to education for over 42 years, I understand firsthand the importance of programs that help educators, administrators, and support staff prepare for seasonal financial challenges.

It has been a tremendous honor to serve as Chair of a Credit Union so deeply connected to the community that has shaped my life. On behalf of the Board of Directors, thank you for your continued trust, loyalty, and support. Together, we look forward to continuing our mission of *People Helping People* for many years to come.

Sincerely,

Dr. Gayle Ball-Parker, Chair


Schools
FEDERAL CREDIT UNION

Founded by LAUSD and LACCD Community in 1939

Serving
Members since
1939

2025 Annual Report



Treasurer's Report

Schools Federal Credit Union remained financially strong throughout 2025, continuing our commitment to long-term stability and member value. Total assets grew to more than \$189.6 million, reflecting strong growth from the prior year. Member deposits increased to over \$165.3 million, demonstrating the continued trust our members place in the Credit Union. Member equity also strengthened to \$22.8 million, maintaining a solid capital position that remains well above regulatory requirements.

Operating income reached nearly \$9.9 million, driven by growth in both loan and investment income. Despite ongoing economic uncertainty and rising operational costs across the financial industry, the Credit Union closed the year with net income of approximately \$990,000. These results reflect prudent financial management, a strong commitment to our members, and the continued support of our Board, staff, and membership.

Jeanette Gordon, Treasurer



Supervisory Committee Report

The Supervisory Committee serves as an independent volunteer body responsible for safeguarding member assets by ensuring that the Board of Directors and management adhere to sound business practices and maintain effective internal controls. The Committee oversees internal audit activities to confirm that the Credit Union's accounting records accurately reflect its financial position and operating results.

In addition, the Committee reviews and investigates unresolved member concerns, monitors the timely resolution of audit findings, and verifies compliance with applicable laws, regulations, policies, and procedures. As part of its fiduciary responsibilities, the Committee annually engages an independent public accounting firm to conduct a review of the Credit Union's financial statements or perform agreed-upon procedures. For the year ending December 31, 2025, Turner, Warren, Hwang & Conrad, CPAs conducted the independent review.

Based on the results of the independent review, together with federal regulatory examinations, the Supervisory Committee is pleased to report that Schools Federal Credit Union remains financially sound, maintains accurate financial reporting practices, and continues to operate with strong internal controls.

Tasha Cunningham, Committee Chairperson

SchoolsFCU.org

(866) 459-2345



TOTAL ASSETS
\$189.6 M

6% increase from
2024



OVER
17,000
members

Welcomed
over 1,400 new
members last
year

COMPARATIVE BALANCE SHEET

as of December 31, 2025 (Unaudited)

ASSETS	2021	2022	2023	2024	2025
Loans to Members	\$ 86,139,284	\$ 96,371,552	\$ 90,413,582	\$ 90,481,899	\$ 88,778,342
Allowance for Loan Loss	(1,909,582)	(841,930)	(764,482)	(847,375)	(842,593)
Cash and Cash Equivalents	8,489,646	5,242,312	7,455,197	5,684,569	5,852,081
Investments	71,670,945	70,628,413	71,531,769	76,875,598	89,020,035
Property and Equipment	642,030	493,307	392,490	342,131	366,289
Share Insurance Deposits	1,393,493	1,478,123	1,480,209	1,447,178	1,516,740
Account Receivables and Other Assets	4,798,777	4,273,238	4,895,362	4,651,986	4,990,189
Total Assets	\$ 171,224,593	\$ 177,645,015	\$ 175,404,125	\$ 178,635,986	\$ 189,681,083

LIABILITIES AND EQUITY

Accrued and Other Liabilities	\$ 1,843,791	\$ 3,477,036	\$ 2,032,692	\$ 1,351,971	\$ 1,483,823
Member's Share and Deposits	150,255,053	153,698,727	151,970,255	155,436,908	165,360,154
Member's Equity	19,125,749	20,469,252	21,401,177	21,847,107	22,837,106
Total Liabilities and Equity	\$ 171,224,593	\$ 177,645,015	\$ 175,404,125	\$ 178,635,986	\$ 189,681,083

COMPARATIVE INCOME STATEMENT

as of December 31, 2025

OPERATING INCOME	2021	2022	2023	2024	2025
Interest on Loans	\$ 3,905,893	\$ 4,131,371	\$ 4,474,466	\$ 4,770,098	\$ 5,291,726
Investments	530,947	1,025,220	1,361,741	1,948,406	2,504,488
Fees and Charges	1,742,770	1,839,478	1,931,376	2,006,141	2,069,325
Total Operating Income	\$ 6,179,610	\$ 6,996,068	\$ 7,767,582	\$ 8,724,645	\$ 9,865,539

INTEREST EXPENSE

Dividends	\$ 377,632	\$ 486,464	\$ 805,545	\$ 1,190,472	\$ 1,535,992
Provision for Loan Loss	-	(617,853)	440,328	635,605	570,870
Net Income Before Expenses	\$ 5,801,978	7,127,457	6,521,709	6,898,568	7,758,677
Operating Expenses	(5,583,104)	(5,743,073)	(5,693,333)	(6,504,252)	(6,823,625)
Net Income After Expenses	\$ 218,874	1,384,384	828,375	394,316	935,052
Non Operating Income	53,510	57,694	48,750	51,613	54,948
Net Income	\$ 272,384	\$ 1,442,077	\$ 877,125	\$ 445,929	\$ 990,000



MEMBER DEPOSITS
\$165.3

307% increase in dividends
paid to membership from
2021

NET INCOME
\$990,000

55% increase from
last year

