



**Cal State LA  
Federal Credit Union**

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**Annual Report 2017**

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**Cal State L.A. Federal Credit Union**

[www.calstatela-fcu.org](http://www.calstatela-fcu.org)

# Chair's Report

As a member of the Cal State L.A. Federal Credit Union, it has been an honor to serve our membership as Chair of the Board of Directors during this past year. It is a privilege to be part of the excellent team entrusted to protect your interests. Credit unions are owned and operated by the people they serve – one of many features that makes us unique and very different from other financial institutions. The primary focus of a credit union is always to meet the financial needs of the membership, while providing quality service and maintaining the highest levels of fiscal responsibility.

We continue to explore ways to enhance the quality of our services, and to provide the utmost in security in terms of your personal information, transactions, and assets. We recognize that members are concerned about the security of their information and continue to make this a priority.

Credit Unions rely heavily on dedicated volunteers who are elected by the membership to set direction and policies. The Board of Directors and the Supervisory Committee assume enormous responsibilities and a demanding workload – without any monetary compensation. They do so because they firmly believe that credit unions are the best option in helping our members successfully manage their financial future.

The staff and management team, superbly led by Chief Executive Officer, Ida Chapko, continue to excel in protecting the interests of the membership, and in safeguarding your credit union's assets. I would like to take this opportunity to thank the members of the Board of Directors, the Supervisory Committee, and our extraordinary management and staff for all their diligent work, loyalty, dedication, and integrity. We will continue to do our utmost to deliver a variety of quality financial services and programs to all of the members, and to provide them in a way that best meets your needs. We always welcome the input of our membership, and urge you to let us know how we are doing.

We appreciate your loyalty as we look ahead to an exciting and successful 2018.

**Sylvia Velásquez**  
**Board Chairperson**



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## 2018 Annual Meeting

### Table of Contents

Agenda ..... 1

CEO’s Report ..... 2 – 3

2017 Meeting Minutes ..... 4 - 5

Treasurer’s Report ..... 6

Supervisory Report ..... 7

Core Beliefs ..... 8



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## 2018 Annual Meeting

### Agenda

1. Welcome and Introductions
2. CEO’s Report
3. Call to Order
4. Minutes of the Annual Meeting 2017
5. Treasurer’s Report—Financial Statement
6. Supervisory Committee Report
7. Presentation of Candidates
8. Election
9. Unfinished Business
10. New Business
11. Adjournment
12. Door Prizes



# CEO's Report

I'm pleased to report that 2017 was a successful year for Cal State L.A. Federal Credit Union, supported by strong financials and the continued loyalty of our members. We ended the year in a solid financial position with ROA of 0.93% and Net Worth of 10.72%. Total assets increased 6.23% in 2017, and we achieved loan growth of 7.56%. Our financial strength provides more than safety and soundness. It enables us to invest in the development of products, services and systems to meet the evolving needs of our membership.

In March of 2017, we established a physical presence on campus with the opening of our office on the 3<sup>rd</sup> floor of the Golden Eagle Building. We are continuing our efforts to build awareness of our Campus Office and we look forward to serving our Campus members as well as welcoming new members to the Credit Union.

As we move forward in 2018, we have exciting changes to announce. We are improving our debit card and credit card programs. Instant issue debit cards will be available in both locations, and the process for activating debit cards or changing a PIN will be much more convenient. Our credit card program will undergo a conversion that will include issuing new cards with EMV chip technology.

In addition, our new credit card program will feature lower rates for all cardholders. We hope to complete the credit card conversion mid-year. Late in 2018, we will convert all data processing to a new core system. The new system will provide greater efficiencies, improved functionality, and the ability to enhance our products and services.

Personal service remains a priority for the Credit Union and we seek to put the needs of our membership first in everything we do. We will continue to invest in your member experience, making Cal State L.A. Federal Credit Union the best choice for your banking needs.

On behalf of the Credit Union, I extend my sincere gratitude for the continued loyalty and trust of our membership. Our success is only achieved with the support of our members, and the dedication of our Board of Directors, Supervisory Committee and staff.

**Ida Chapko**  
Chief Executive Officer






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## Cal State L.A. Federal Credit Union

### Minutes of the 2017 Annual Meeting

April 5, 2017

#### 1. Call to Order

The meeting was called to order by Board Chair, Maria Gutierrez, at 12:00 pm. In accordance with the Credit Union bylaws, Chair Gutierrez declared that a quorum was present.

#### 2. Minutes of the Annual Meeting 2016

A motion was made to dispense with the reading of the minutes and approve as presented in the Annual Report.  
M/s/p

#### 3. Treasurer's Report/Financial Statement

A motion was made to accept the Treasurer's report as presented in the Annual Report. M/s/p

#### 4. Supervisory Committee Report

A motion was made to accept the Supervisory Committee Report as presented in the Annual Report. M/s/p



#### 5. Presentation of Candidates

Chair Maria Gutierrez presented the slate of candidates for three (3) year terms:

Richard Romano, incumbent  
Sylvia Velásquez, incumbent  
Steven Nahabedian, incumbent

#### 6. Election

Chair Gutierrez declared by acclamation that the three candidates are elected for three (3) year terms.

#### 7. Unfinished Business

None

#### 8. New Business

Questions from the floor regarding when the Credit Union will deploy chip cards. CEO Ida Chapko explained that the Credit Union expects to have chip cards in place by the end of the year, and that the timing of deployment is contingent on the Credit Union's place in the processor queue.

Supervisory Chair, Steven Nahabedian, addressed the group and encouraged members of the Credit Union to Volunteer for Supervisory Committee positions.

#### 9. Adjournment

A motion was made to adjourn the meeting M/s/p The meeting was adjourned at 12:09 pm.



## Treasurer's Report

| <b>CAL STATE L.A. FEDERAL CREDIT UNION</b>                            |                   |
|---|-------------------|
| <b>Consolidated Statement of Financial Condition as of 12/31/2017</b> |                   |
| <b>(unaudited)</b>  |                   |
| <b>ASSETS</b>   |                   |
| TOTAL LOANS   | 37,811,357        |
| ALLOWANCE FOR LOAN LOSS   | -259,735          |
| ACCOUNTS RECEIVABLE   | 84,147            |
| CASH ON HAND  | 643,619           |
| INVESTMENTS   | 9,802,695         |
| NET LAND/BUILDING   | 790,696           |
| OTHER ASSETS  | 976,251           |
| <b>TOTAL ASSETS</b>   | <b>49,849,030</b> |
| <b>LIABILITIES</b>  |                   |
| ACCOUNTS PAYABLE  | 5,568             |
| ACCRUED EXPENSES  | 206,613           |
| OTHER LIABILITIES   | 80,949            |
| <b>TOTAL LIABILITIES</b>  | <b>290,130</b>    |
| MEMBER SHARE ACCOUNTS   | 44,216,463        |
| REGULAR RESERVE   | 550,174           |
| UNDIVIDED EARNINGS  | 4,832,382         |
| UNREALIZED GAIN (LOSS)  | -40,119           |
| <b>TOTAL EQUITY</b>   | <b>49,558,900</b> |
| <b>TOTAL LIABILITIES &amp; EQUITY</b>                                 | <b>49,849,030</b> |
| <b>NET WORTH RATIO</b>  | <b>10.72%</b>     |

## Supervisory Report

The Supervisory Committee independently evaluates the soundness of Cal State L.A. Federal Credit Union's operations and activities. We ensure that management implements sound internal controls and maintains practices and procedures that adhere to generally accepted accounting principles. In doing so, we carry out the following primary responsibilities:

- Protection of members' funds and interests
- Safeguarding of assets
- Compliance with regulations, policies and procedures
- Reliability of financial records

The Committee meets regularly to review and discuss internal controls and to perform various internal audits. An independent accounting firm is retained to perform an annual financial audit of Cal State L.A. Federal Credit Union, conducted in accordance with standards established by the American Institute of Certified Public Accountants.

Results of the 2016 annual audit performed by Richards & Associates, CPAs, as well as periodic exams conducted by the National Credit Union Administration, indicate that the financial statements present fairly the results of the operations and financial position for the period, and no material weaknesses in internal controls were reported.

**Steven Nahabedian**  
Chairperson

## Core Beliefs

We believe in empowering people to achieve and maintain financial health.

We believe that all people have a right of access to quality core financial services.

We believe that people who are financially sound are more productive in both their professional and personal lives.



## 2017 BOARD OF DIRECTORS

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**Sylvia Velásquez**  
*Chairperson*

**Maria Gutierrez**  
*Vice Chair*

**Richard Romano**  
*Secretary/Treasurer*

**Andrew Winnick**  
*Director*

**Raul Jimenez Jr.**  
*Director*

**Vince Fazzi**  
*Director*

**Steven Nahabedian**  
*Director/Supervisory Committee Chair*

## 2017 SUPERVISORY COMMITTEE

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**Steven Nahabedian**  
*Chairperson*

**Oscar Jaimes**  
*Member*