



# Cal State LA Federal Credit Union

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## Annual Report 2019

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

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

# Chair's Report

On behalf of the Board of Directors I want to express our sincere gratitude for your loyal support throughout this past year. Our credit union continues to thrive because of the participation of its members. We rely on that participation as the bedrock of our business model which seeks to assist and empower each and every member in successfully managing their financial future. Credit unions are committed to meeting the financial needs of the membership and the communities that we serve. We strive to always provide quality service and to maintain the highest levels of fiscal responsibility in protecting your interests and improving the security of your assets.

It has been a privilege to serve our members as Chair of the Board of Directors during this past year. Each member of the Board is charged with increasingly complex oversight responsibilities, which include a strong focus on regulatory requirements and member information security. I want to assure you that although we are unpaid volunteers, we take these responsibilities seriously.

Our very talented staff and management team, superbly led by Chief Executive Officer, Ida Chapko, continue to excel in protecting the interests of the membership. 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 best to deliver a variety of quality financial services and programs to 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 2020.

**Maria Gutierrez**  
**Board Chairperson**



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## 2019 Annual Meeting

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## 2019 Annual Meeting

### Agenda

1. Welcome and Introductions
2. CEO’s Report
3. Call to Order
4. Minutes of the Annual Meeting 2019
5. Treasurer’s Report—Financial Statement
6. Supervisory Committee Report
7. Presentation of Candidates
8. Election
9. Unfinished Business
10. New Business
11. Adjournment



# CEO's Report

I'm very happy to report that 2019 was a successful year for Cal State LA Federal Credit Union. We ended the year in a position of financial strength with net earnings of \$451k, Return on Assets of 0.87% and a Net Worth Ratio of 11.89%. This success would not be possible without the continued loyalty and trust of our members, and the dedication and support of our staff, Board of Directors and Supervisory Committee.

Our first project of 2019 was our core software conversion on March 1<sup>st</sup>. This was a project of massive scope with both internal and external impact. Many hours were devoted to training, testing, data validation, and integration with the business partners and processors who support our products and services. The software conversion was an immediate benefit to our members, as it included a new Online Banking platform and a new Mobile App. Another feature of our new core system was TARA, our Telephone Audio Response Attendant.

Shortly after the software conversion, the Credit Union implemented EMV chip technology for debit cards. Non-EMV chip cards are being replaced by the new technology as they expire, but we are happy to issue an EMV chip card to any of our cardholders who would like the chip-enabled card right away. In addition to upgrading card technology, cardholders now have the ability to select or change their debit card PIN over the phone by calling a secure Interactive Voice Response line.

With the convenience of our members in mind, we introduced the ability for borrowers to sign loan documents remotely with eDocs. An eDoc envelope can be emailed to borrowers after a loan application has been approved. It provides a secure, private delivery channel for signing and returning loan documents anytime from anywhere.

A project to upgrade two of our ATM machines began in late 2019, and was completed in February 2020. New machines, that don't require envelopes for deposits, were installed at our Main Office located on Mariondale Avenue, and on the Cal State LA Campus, in the ATM kiosk near the library. Another ATM was deployed for the segment of our membership associated with Grifols.

Visitors to our Mariondale Office have noticed that a full building remodel is in progress. The building is owned by the Credit Union, and after occupying that space for almost 17 years, much work was needed to maintain our asset and provide a welcoming environment for our members. Although some work was delayed by the pandemic, the interior portion of the remodel is almost complete. The exterior will also be updated in the coming months.

Much has changed since 2019, and our achievements from last year have been overshadowed by the pandemic. It was necessary to modify many practices and procedures to ensure a safe environment for our employees, but we remain committed to serving our members. We very much appreciate your patience during these unprecedented times.

On behalf of Cal State LA Federal Credit Union, I extend my sincere gratitude to our members who trust us with their financial well-being, and to our friends and partners at Cal State LA and in our local community for their collaboration and support.

**Ida Chapko**  
**Chief Executive Officer**






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**Cal State L.A. Federal Credit Union**  
**Minutes of the 2018 Annual Meeting**  
**April 30, 2019**

1. Call to Order

The meeting was called to order by Board Chair, Sylvia Velasquez, at 12:32 pm. In accordance with the Credit Union bylaws, Chair Velasquez declared that a quorum was present.

2. Minutes of the Annual Meeting 2018

A motion was made and seconded 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




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5. Presentation of Candidates

Chair Sylvia Velasquez, also a member of the nominating committee, presented the slate of candidates for one 3-year term:

Maria Guitierrez, incumbent

6. Election

Chair Velasquez declared by acclamation that the candidate is elected for one 3-year term.

7. Unfinished Business

There was no unfinished business.

8. New Business

There was no new business. Chair Velasquez encouraged members of the Credit Union to volunteer for a position on the Board or Supervisory Committee

9. Adjournment

A motion was made to adjourn the meeting at 12:35 pm. M/s/p



## Treasurer's Report

<b>CAL STATE L.A. FEDERAL CREDIT UNION</b>	
<b>Consolidated Statement of Financial Condition as of 12/31/2019</b>	
<b>(unaudited)</b>	
<b>ASSETS</b>	
TOTAL LOANS	37,889,977
ALLOWANCE FOR LOAN LOSS	-261,224
ACCOUNTS RECEIVABLE	96,781
CASH ON HAND	795,408
INVESTMENTS	12,328,081
NET LAND/BUILDING	1,017,467
OTHER ASSETS	1,118,284
<b>TOTAL ASSETS</b>	<b>52,984,773</b>
<b>LIABILITIES</b>	
ACCOUNTS PAYABLE	287,411
ACCRUED EXPENSES	314,868
<b>TOTAL LIABILITIES</b>	<b>602,279</b>
MEMBER SHARE ACCOUNTS	46,083,458
REGULAR RESERVE	550,174
UNDIVIDED EARNINGS	5,748,862
UNREALIZED GAIN (LOSS)	0
<b>TOTAL EQUITY</b>	<b>52,382,494</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>52,984,773</b>
<b>NET WORTH RATIO</b>	<b>11.89%</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; and
- 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 2018 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**  
Supervisory Committee Chair

## 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.



## BOARD OF DIRECTORS

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**Maria Gutierrez**  
*Chair*

**Sylvia Velásquez**  
*Vice Chair*

**Andrew Winnick**  
*Secretary/Treasurer*

**Vince Fazzi**  
*Director*

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

## SUPERVISORY COMMITTEE

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**Steven Nahabedian**  
*Chair*

**Salvador Choto**  
*Member*

**Dan Thomas**  
*Member*

**Oscar Jaimes**  
*Member*