



# Cal State LA Federal Credit Union

## Annual Report 2020

### 2020 Annual Meeting Agenda November 9, 2021

1. Welcome and Introductions
2. Call to Order
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Andrew Winnick, incumbent  
Vince Fazzi, incumbent
7. Election
8. Unfinished Business
9. New Business
10. Adjournment

# Chair's Report

On behalf of the Board of Directors I want to express our sincere gratitude for your loyal support throughout this challenging 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 a financial cooperative, owned by members and committed to meeting the financial needs of that membership, and to making a difference in 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. While the global pandemic has continued to present many challenges for us all, we recognize that providing quality financial services during this period of uncertainty is our primary responsibility.

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, 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 loyal support as we look forward to serving you in 2022 and beyond.

Maria Gutierrez  
Board Chairperson

<b>Board of Directors</b>	<b>Supervisory Committee</b>
Maria Gutierrez, Board Chair	Dan Thomas, Supervisory Committee Chair
Sylvia Velasquez, Board Vice Chair	Oscar Jaimes, Supervisory Committee Member
Andrew Winnick, Board Secretary/Treasurer	Salvador Choto, Supervisory Committee Member
Steven Nahabedian, Board Member	
Vince Fazzi, Board Member	

## CEO's Report

In 2020, a year like no other, Cal State L.A. Federal Credit Union faced unprecedented challenges due to the global pandemic. Our commitment to the credit union philosophy of “people helping people” was our priority; focusing on our members’ financial wellness while maintaining the strength of the Credit Union.

As an essential business, Cal State L.A. FCU remained open to provide much needed services. Keeping our staff and members safe included modifying work schedules, converting back-office staff to a partially remote workforce, modifying branch procedures, and adjusting business hours. We quickly implemented the necessary protocols and precautions, following guidelines issued by the Centers for Disease Control and Prevention as well as state and local health officials

With shelter-in-place orders, businesses were forced to close – some permanently – and many of our members found themselves experiencing immediate financial hardships. We quickly expanded our loan deferment and modification programs to assist those most affected by the pandemic.

Our building was under construction during most of 2020, the result of a much-needed remodel that began in late 2019. Despite the inconvenience and logistical challenges of remaining open for business during construction, the interior portion of the remodel was successfully completed with the exterior work carried over into 2021. The interior remodel resulted in better usage of available square footage to accommodate future growth.

In late 2020, we invested in a new VoIP telephone system to replace an outdated analog system. The new system meets our current needs and provides scalability for the future. Among the new features is the ability to easily and seamlessly transition to a remote environment for answering calls if needed.

Despite the challenges, the Credit Union finished the year financially secure, and in a position to persevere and grow. Some key financial highlights from 2020 are as follows:

- Net worth of 10.46%, which exceeds the industry standard where a ratio of 7% is considered “well capitalized”;
- Asset growth of 15%; Total assets of \$60.8 million;
- Return on assets of .10%; Earnings in 2020 were lower than the previous year due to funds utilized for pandemic response efforts; and
- Annual loan growth of 3.6%.

Our financial strength made it possible to assist our members through financial hardships caused by the pandemic.

I would like to thank our members for their patience and understanding as we adapted to changes required by state and local health officials. Sincere gratitude goes to credit union staff; who as employees of an essential business continued to work throughout the year, supporting the financial needs of our members. With guidance from our volunteer Board of Directors and Supervisory Committee, we remain focused on collaborative and productive future.

Ida Chapko  
Chief Executive Officer

Cal State L.A. Federal Credit Union  
Minutes of the 2019 Annual Meeting  
November 10, 2020

The 2019 Annual Meeting was a virtual meeting, conducted via Zoom.

1. Call to Order

The meeting was called to order by Board Chair, Maria Gutierrez, at 5:08 pm. In accordance with Credit Union bylaws, Chair Gutierrez declared that a quorum was present.

2. Minutes of the Annual Meeting 2019

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 and seconded to approve the Treasurer's Report as presented in the Annual Report. M/s/p

4. Supervisory Committee Report

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

5. Presentation of Candidates

Chair Maria Gutierrez, also a member of the Nominating Committee, presented the slate of candidates for two 3-year terms.

Sylvia Velasquez, incumbent  
Steven Nahabedian, incumbent

6. Election

Chair Gutierrez declared by acclamation that the candidates are elected and each will serve a 3-year term.

7. Unfinished Business

There was no unfinished business.

8. New Business

There was no new business.

9. Adjournment

A motion was made and seconded to adjourn the meeting at 5:16 pm. M/s/p

## Treasurer's Report

<b>CAL STATE L.A. FEDERAL CREDIT UNION</b>	
<b>Consolidated Statement of Financial Condition</b>	
<b>12/31/2020 (Audited)</b>	
<b>ASSETS</b>	<u>12/31/2020</u>
TOTAL LOANS	39,251,542
ALLOWANCE FOR LOAN LOSS	-206,767
ACCOUNTS RECEIVABLE	357,764
CASH ON HAND	529,681
INVESTMENTS	17,740,441
NET LAND/BUILDING	1,985,870
OTHER ASSETS	1,142,911
<b>TOTAL ASSETS</b>	<u><u>60,801,442</u></u>
<b>LIABILITIES</b>	
ACCOUNTS PAYABLE	205,377
ACCRUED EXPENSES	432,687
<b>TOTAL LIABILITIES</b>	<u><u>638,064</u></u>
MEMBER SHARE ACCOUNTS	53,714,042
REGULAR RESERVE	550,174
UNDIVIDED EARNINGS	5,807,925
UNREALIZED GAIN/(LOSS)	91,238
<b>TOTAL EQUITY</b>	<u><u>60,163,378</u></u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>60,801,442</u></u>
NET WORTH RATIO	<u><u>10.46%</u></u>

## Supervisory Committee Report

The Supervisory Committee independently evaluates the soundness of Cal State L.A. Federal Credit Union operations and activities through regular review of member files (aka internal documents). The Committee works with management to ensure implementation of sound internal controls, practices and procedures that adhere to generally accepted accounting principles by utilizing internal controls to effectively show compliance with board standards and reporting of documented accounting information.

In doing so, we carry out the following primary responsibilities:

- Protection of members' funds and interests by participating in on-site random cash audits;
- Safeguarding of member interests through ensuring the regular use of an application for the purpose of establishing credit union membership;
- Compliance with regulations, policies and procedures; and
- Ensuring reliability of financial records by committing to a regular review of files, documenting discrepancies and noting follow up documentation through the use of the Supervisory Committee Review sheet.

Supervisory Committee members review, discuss and perform various internal checks monthly. An independent audit 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 2020 annual audit performed by Richards & Associates, CPAs, as well as periodic exams conducted by the National Credit Union Administration, indicate that the financial statements accurately represent the results of the operations and financial position for the period, and no material weaknesses in internal controls were reported.

Daniel Thomas  
Supervisory Committee Chair

