

## 82nd Annual Meeting - Minutes May 24, 2022

Virtual Meeting Held

**Call to Order** - Schools Federal Credit Union (SFCU) #3526 82nd Annual Board of Directors' (Board) meeting was held on Tuesday, May 24, 2022. The meeting was called to order at 5:34 pm by Chairman Boull't. The following individuals were in attendance via video conferencing:

### Board of Directors

Enrique Boull't, Chairman | Karen Hemingway, Vice Chairman | Jeanette Gordon, Treasurer  
Yoshiko Fong, Secretary | Margaret Fairlie | Dr. Gayle Ball-Parker | Dr. Antoine Hawkins

### Supervisory Committee

Arnold Blanshard | Tasha Cunningham | Priti Kapoor | Timothy Rosnick

### Credit Union Staff

Philip Morgan, CFO | Catherine Stinson, CLO | Mario Dalangpan, VP of Member Development  
Lorena Hernandez, VP of Operations | Andy Foster, Controller | Denise Mills,  
Administrative Assistant | Francis Gosun, IT Manager | Lillian Pate, Los Angeles Branch  
Manager | Martha Franco, South Bay - Torrance Branch Manager | Janet Sanchez, Call  
Center Manager

**Guests:** Arick Gevorkian Recorder

**Welcome, Invocation, and Pledge to the Flag** - Mr. Dalangpan greeted all the members, Board, Supervisory Committee, and staff for joining the 82nd Annual Meeting via Zoom and noted a few products and services launched for the Credit Union's 82nd anniversary. Additionally, he acknowledged the volunteers for their dedication and expertise.

- Chairman Boull't welcomed everyone and thanked the members for their trust in SFCU. He invited Dr. Ball-Parker to lead the Invocation followed by Mr. Foster for the Pledge of Allegiance.

**Housekeeping and Opportunity Drawing** - Mr. Dalangpan described the housekeeping procedures, voting, tools, interaction modes, and instructions to ensure participants engage with the panelists and hosts. He further stated that ten (\$50) Amazon Electronic Gift Cards and a 2022 iPad grand prize will be given away as a token of appreciation for attending the annual meeting. Participants were automatically entered into a drawing (randomizer wheel) during registration for the meeting. Winners will receive an email from SFCU with details. Gina O'Bryan and Joan Washington won the first two gift cards.

**Introductions** - Chairman Boull't introduced and thanked all the current volunteer Board and Supervisory Committee Members who served or currently serve at LACCD, LAUSD, and CSUDH. He commended Mr. Dalangpan for planning, organizing, and facilitating the meeting.

**Approval of 2021 Minutes** - A motion to approve the SFCU 2021 Annual Meeting Minutes was made by Ms. Fong and seconded by Ms. Gordon. The motion carried.

- Chairman Boull't introduced Mrs. Stinson, CLO for the next drawing.
- Mrs. Stinson offered a brief description of her responsibilities and the Lending Department's commitment to assisting its members with various programs. Lynda Mc Gee and Alicia Greathouse won the next two gift cards.

**Chairman's Report** - Chairman Boull't stated that details of his formal report were included in the Credit Union's Annual Report and hoped that next year's meeting will be in person. He indicated that SFCU is not just another bank that has served the educational community since 1939. SFCU has endured for 82 years because of its loyal membership and commitment to serving the financial needs of the community. He mentioned last year the Credit Union sponsored nearly \$50K in different events and initiatives with LAUSD and LACCD and staff and Management are devoted to serving the Credit Union's members with many innovative and beneficial programs and services.

- Chairman Boull't introduced Ms. Jeanette Gordon for the Treasurer's Report.

**Treasurer Report** - Ms. Gordon, Treasurer praised SFCU's staff and Management for their dedication and commitment to excellence specifically with the challenges of COVID. She presented a recap of 2021 financials (details in the Annual Report) which included, Net Income- of \$272M, and growth in Assets- of \$171M. She thanked the members for their loyalty and confidence in SFCU.

**Supervisory Committee Report** - Mr. Blanshard, Chairman of the Supervisory Committee presented a summary of the Committee's responsibilities and duties to ensure the Board, Management, officers, and staff follow the agreed-upon procedures and internal controls and adhere to policies and processes. He was pleased to report that the Committee found SFCU was in compliance and there were no breaches. He expressed that the members can contact the Supervisory Committee with any concerns or complaints.

**Introduction of Nominees** - Dr. Hawkins introduced the 2022 Board nominees; Ms. Jeanette Gordon and Ms. Karen Hemingway who currently serve on the Board. He then presented their respective biographies.

- A motion to approve the nominees; Ms. Gordon and Ms. Hemingway to serve for another term on the SFCU Board was made by Ms. Fong, seconded by Dr. Ball-Parker, and the motion carried.

**Opportunity Drawing** - Mr. Philp Morgan, CFO introduced himself and expressed his gratitude for being able to work for the Credit Union and its membership. He conveyed his appreciation for the experienced and dedicated Board. Florine Bennet and Lakystal Simmons won the next two gift cards.

- Ms. Hernandez, VP of Operations introduced herself and presented an overview of the departments and operations in both branches. Julie McMillen and Olonzo Woodfin won the next two gift cards.
- Chairman Boull't expressed his gratitude for Mr. Woodfin's attendance and his years of service. The Chairman stated that Mr. Woodfin (former Chairman of the SFCU Board) served the Credit Union for many years and continues to contribute to the community with scholarships through the Credit Union.

**Introduction of Staff** - Chairman Boull't acknowledged and applauded Management and staff for their commitment and commended CEO Carlos Garrido for his outstanding leadership. Mr. Garrido regrettably could not attend the meeting due to his daughter's graduation from California State University Fullerton.

- Ms. Tasha Cunningham (Supervisory Committee member) thanked everyone for attending the meeting and initiated the drawing for the grand prize giveaway, an iPad. Ronda Pratt won the grand prize.

**Old And New Business** - None

**Adjournment** - Chairman Boull't conveyed his appreciation again for all the attendees and hoped to see everyone in person at the 83rd Annual Meeting. The 2022, 82nd SFCU Annual Meeting was adjourned at 6:13 pm.



[www.SchoolsFCU.org](http://www.SchoolsFCU.org)

20101 Hamilton Ave #150, Torrance, CA 90502

866-459-2345 | [info@schoolsfcu.org](mailto:info@schoolsfcu.org)

Federally regulated by NCUA | Supplemental coverage provided by ASI



## 2022 Annual Report

*Serving the financial needs of the educational community since 1939*



*Schools Federal Credit Union is committed to providing exceptional member service and customized solutions through financial soundness and inclusion, to meet the needs of our members today and in the future.*

## CHAIRMAN – STATEMENT

I am thrilled to share that 2022 was another year of successful growth for Schools Federal Credit Union. We've come a long way since 1939. Still, our commitment to providing the membership with financial resources to save money remains the same.

We ended the year with over \$177.6 million in assets, an increase of over \$6.4 million from the previous year. This growth can be attributed to our strong investment performance and diligent management of our resources. Our Net Worth Ratio remained well capitalized at 11.55%, which exceeds the threshold of 7% as established by federal regulators.

We introduced unique loan programs that benefited our members, such as our interest-free Utility Loans for classified employees at LAUSD and LACCD (Los Angeles City College District) and our Classroom Supply Loan for certificated employees. We continued to offer competitive auto loans with features unique to our field of membership.

We continued to reward our members with attractive dividends on their deposits. Our overall deposits increased, thus demonstrating the trust our members have in the Credit Union. All deposits are federally insured by the NCUA (National Credit Union Association); additionally, we opted to provide supplemental coverage by ASI (American Share Insurance), which increases the insurable amount a member may have at the Credit Union.

We also welcomed 1,260 new members, with the majority coming from our core field of membership, which is LAUSD (Los Angeles Unified Schools District) employees and their families. Our total membership now stands at over 15,600, which is a testament to the exceptional financial services we provide for our members.

As we move forward, we will continue to prioritize providing our members with the highest quality financial services and support. We will invest in our operations, products, and technology to ensure that we can meet the evolving needs of our members and stay ahead of the curve in an ever-changing financial landscape.

Thank you for your continued support of Schools Federal Credit Union. We look forward to another successful year ahead.

-Enrique Boull't, Chairman

## SUPERVISORY COMMITTEE – STATEMENT

The Supervisory Committee ensures the Board of Directors and Management establish practices to safeguard the assets of the membership. We are volunteer members, operate independently, and manage internal audits. We investigate unresolved member complaints and monitor audit findings. Additionally, we are responsible for securing the annual financial statement audit or agreed upon procedures from a licensed, independent auditor. Based on the December 31, 2022 procedures by Turner, Warren, Hwang & Conrad, CPAs, and federal examinations, Schools Federal Credit Union (SFCU) has adequate financial controls and reports accurately.

## COMPARATIVE BALANCE SHEET

as of December 31, 2022 (Unaudited)

ASSETS	2018	2019	2020	2021	2022
Loans to Members	\$ 72,063,505	\$ 74,866,158	\$ 75,244,053	\$ 86,139,284	\$ 96,371,552
Allowance for Loan Loss	(2,409,155)	(2,215,573)	(2,034,911)	(1,909,582)	(841,930)
Cash and Cash Equivalents	7,130,807	5,852,001	14,210,053	8,489,646	5,242,312
Investments	42,376,143	43,523,109	58,946,334	71,670,945	70,628,413
Property and Equipment	864,506	763,965	756,184	642,030	493,307
Share Insurance Deposits	1,094,163	1,099,172	1,232,914	1,393,493	1,478,123
Account Receivables and Other Assets	3,504,706	3,653,757.00	3,908,941.24	4,798,777	4,273,238
<b>Total Assets</b>	<b>\$124,624,675</b>	<b>\$127,542,589</b>	<b>\$152,263,568</b>	<b>\$171,224,593</b>	<b>\$177,645,015</b>

## LIABILITIES AND EQUITY

Accrued and Other Liabilities	\$ 634,366	\$ 555,158	\$ 1,508,127	\$ 1,843,791	\$ 3,477,036
Member's Share and Deposits	106,968,373	108,753,792	131,845,829	150,255,053	153,698,727
Member's Equity	17,021,936	18,233,639	18,909,612	19,125,749	20,469,252
<b>Total Liabilities and Equity</b>	<b>\$124,624,675</b>	<b>\$127,542,589</b>	<b>\$152,263,568</b>	<b>\$171,224,593</b>	<b>\$177,645,015</b>

## COMPARATIVE INCOME STATEMENT

as of December 31, 2022

OPERATING INCOME	2018	2019	2020	2021	2022
Interest on Loans	\$ 3,476,436	\$ 3,644,679	\$ 3,771,917	\$ 3,905,893	\$ 4,131,371
Investments	894,338	1,126,981	790,371	530,947	1,025,220
Fees and Charges	1,984,588	2,092,577	1,632,191	1,742,770	1,839,478
<b>Total Operating Income</b>	<b>\$ 6,355,362</b>	<b>\$ 6,864,237</b>	<b>\$ 6,194,479</b>	<b>\$ 6,179,610</b>	<b>\$ 6,996,069</b>

## INTEREST EXPENSE

Dividends	\$ 221,599	\$ 289,966	\$ 311,828	\$ 377,632	\$ 486,464
Provision for Loan Loss	300,000	300,000	150,000	-	(617,853)
<b>Net Income Before Expenses</b>	<b>5,833,763</b>	<b>\$ 6,274,271</b>	<b>\$ 5,732,651</b>	<b>\$ 5,801,978</b>	<b>7,127,458</b>
Operating Expenses	(4,875,537)	(5,308,110)	(5,221,787)	(5,583,104)	(5,743,075)
<b>Net Income After Expenses</b>	<b>958,226</b>	<b>\$ 966,161</b>	<b>\$ 510,864</b>	<b>\$ 218,874</b>	<b>1,384,383</b>
Non Operating Income	61,565	55,634	54,583	53,510	57,694
<b>Net Income</b>	<b>\$ 1,019,791</b>	<b>\$ 1,021,795</b>	<b>\$ 565,448</b>	<b>\$ 272,384</b>	<b>\$ 1,442,077</b>

ASSET GROWTH  
2018 → 2022

**53M**



LOANS TO MEMBERS  
GROWTH  
2018 → 2022

**24.3M**



MEMBER'S SHARE AND  
DEPOSIT GROWTH  
2018 → 2022

**46.7M**

