

## AGENDA

- Opening: Bill Fiock, President
- President's Report
- Election of Officers
- Financial Report
- 2019 Highlights
- Highlighted Products and Promotions
- Door Prize Drawings
- Adjournment
- Refreshments

## HIGHLIGHTS

- Total Loans are up by 34%



- 1st Mortgages up 46%



- Dividends paid to members up 64%



## RETURN TO MEMBER

In 2019, Callahan and Associates ranked SRI Federal Credit Union

- #1 in California (out of 46)
- #3 in the Nation (out of 692)

## PRESIDENT'S MESSAGE

SRI Federal Credit Union continued to have a strong year in 2019. Net income grew allowing over \$958,858 (10.9%) to be added to capital. Capital has surpassed the \$9 million mark and stands at \$9.7 million. For every \$100 in member's shares, the credit union has \$110.62. This is a strong capital position! As interest rates have increased, the credit union has responded with higher dividends. Members received higher dividends totaling over \$862,000 (a 59% increase from the prior year). Loan rates continue to be some of the lowest rates that can be found and an additional \$22 million in new loans was granted in 2019-an increase of 34% in loans outstanding! The credit union closed the year with over \$110 million in assets which included over \$91 million in member's savings deposits. In particular, members are enjoying high certificate rates and have increased their deposits in certificates by 50% (from \$8 million to \$12 million).

This was the first full year that the credit union has been in the new Building A/B wing, Suite 100 site. The credit union location had been in the basement since 1957 (61 years) and moved in November 2018. This has increased office occupancy costs which were \$144,761 in 2019. The need to book leasehold improvements as well as new accounting standards caused the credit union to record liabilities of \$1.5 million. In addition, the credit union took advantage of very low borrowing rates (2%) from the Federal Home Loan Bank and borrowed \$7 million to fund long-term mortgages.

In 2019 we added two-part authentication for access to home banking along with other recommendations from our data security audit firm. Members are using the internet services with over half of the membership actively using our home banking services including bill payment, account to account transfers, and person to person transfers. The ease of use has accelerated the usage of these services. To provide the best possible payments services we are actively reviewing new services and vendors. We will be changing our vendors to provide easier and updated services later in 2020-watch our web site for updates!

The dedicated staff deserve a big thank you for their distinctive service and commitment to a core of strong values which includes providing friendly, personal service to the members. Recognition should also go to the volunteers who give their time to serve as members of the Supervisory Committee and Board of Directors. Most importantly, we want to extend our appreciation to you, the Members, for the support and loyalty that you have shown over the years.

Since 1957-A strong commitment to the members!

**Bill Fiock, President**

## FINANCIALS

<b>BALANCE SHEET</b>	<b>12.31.2018</b>	<b>12.31.2019</b>	<b>\$ Difference</b>	<b>% Difference</b>
Loans	\$64,955,326	\$87,251,165	\$22,295,839	34.32%
Cash & Investments	25,498,382	19,277,918	(6,220,464)	-24.40%
Other Assets	2,410,883	4,068,247	1,657,364	68.75%
<b>TOTAL ASSETS</b>	<b>\$92,864,591</b>	<b>\$110,597,330</b>	<b>\$17,732,739</b>	<b>19.10%</b>

Liabilities	\$413,384	\$9,062,847	\$8,649,463	2092.36%
Shares	83,658,727	94,784,145	8,125,418	9.71%
Unrealized Gain/(Loss)	(209,457)	42,652	252,109	120.36%
Capital	9,001,939	9,707,686	705,746	7.84%
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$92,864,591</b>	<b>\$110,597,330</b>	<b>\$17,732,739</b>	<b>19.10%</b>

<b>INCOME</b>	<b>12.31.2018</b>	<b>12.31.2019</b>	<b>\$ Difference</b>	<b>% Difference</b>
Income	\$3,356,870	\$3,885,423	\$528,553	15.75%
Office Occupancy	(27,030)	(144,761)	(117,731)	435.55%
Operating Expense	(2,012,065)	(2,175,029)	(162,964)	8.09%
Net Income Before Dividends	1,317,775	1,565,633	247,858	18.81%
Cost of Funds	(542,669)	(862,066)	(319,397)	58.86%
Non-Operating Gain/(Loss)	-0-	2,179	2,179	N/A
<b>NET INCOME</b>	<b>\$775,106</b>	<b>\$705,746</b>	<b>(\$69,360)</b>	<b>-8.95%</b>

## SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is an independent committee appointed by the Board of Directors, to provide members with an independent appraisal of the safety and soundness of SRI Federal Credit Union's operations and activities. The Committee conducts internal reviews of the credit union activities, provides oversight related to the establishment of effective internal controls, adherence to board policies, and compliance with appropriate laws and regulations. We participate in the annual external audit to help ensure that your assets within the credit union, are safeguarded and that financial results are accurately reported. The success of these external and internal reviews speaks well for the Credit Union record keeping and management. We also serve as the members' representative to the Board and can help resolve member complaints.

The Committee retains the services of an outside Certified Public Accounting firm to perform the December 31, 2019, annual audit and verification of member accounts. Additionally, the National Credit Union Administration (NCUA), our regulatory agency, has conducted a thorough examination of the credit union's operations.

The Supervisory Committee takes its responsibility to the credit union and its members seriously. We are thankful for the assistance and cooperation of the SRI Federal Credit Union staff, management, and the Board of Directors. Based on the results of our Certified Public Accountants, the examination report of the NCUA, and our internal reviews, it is our opinion that SRI Federal Credit Union continues to be financially sound and well managed.

Stephanie Gray, Supervisory Committee Chair

## 2020 CURRENT SPECIALS

Get 1% cash back\* when you refinance your auto loan over to us!

\* Max of \$500. Other limitations may apply.

New Core Savings Tier pays 1.75% APY\* on the first \$5,000 in your Reg. Savings!

\* APY= Annual Percentage Yield

Refer-A-Member promo

Ask how you can make up to \$500 a year for just referring new members

### BOARD OF DIRECTORS:

Bill Fiock **President**  
Ann Johnston **Vice President**  
JoAnn Hodges-Velayo **Treasurer**  
Aurora Allen **Secretary**  
J.D. Smith **Director**  
John Prausa **Director**  
Regis Vincent **Director**

### SUPERVISORY COMMITTEE:

Stephanie Gray **Chair**  
Ben English **Member**  
Kellie Keifer **Member**  
Rod Morimoto **Member**  
Rosa Sanchez **Member**  
Tim Perkins **Associate**  
Erik Torgerson **Associate**

### STAFF:

Steve Bowles **CEO**  
Magda Czyn **CFO**  
Rhiannon Antonel **Accounting Specialist**  
Yadi Fernandez **SR Loan Officer**  
Amy Garcia **Operations Mgr.**  
Dan Mirsalis **Member Service Rep.**  
Francisco Saenz **Marketing Officer**  
Isabel Sanchez **Member Service Lead**  
Rick Valderrama **SR Mgr. of Projects / DP**  
Natekia West **Member Service Rep.**  
Karina Yap **Loan Officer**

### CONTACT US:

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