



# 2015

## ANNUAL REPORT



36%

PERCENTAGE OF MOBILE APP USERS



\$4.08 M

TOTAL eDEPOSITS

INCREASE IN  
19.9%  
eDEPOSIT USERS



3,048

ONLINE BANKING USERS

84.1%

PERCENTAGE OF ONLINE BANKING MEMBERS



INCREASE OF  
4.8%  
FROM 2014

## 2015 ROADMAP

EMV CARDS • 5/5 FIRST MORTGAGE LOANS • NEW REWARDS PROGRAM  
• ONLINE CUSTOM CARDS • CARD VALET • CARD MANAGEMENT •  
VISA® CALL CENTER • VISA® BENEFITS EXPANSION • UPDATED MOBILE  
PLATFORM • PLUS – REDESIGN MOBILE APP

## 2016 INITIATIVES

EMV CARDS – REALLY!!!! • MORTGAGES: 1ST | ADJUSTABLE | HELOC •  
HEALTH SAVINGS ACCOUNTS • STUDENT LOAN CONSOLIDATION • MBA LOANS  
• GREEN LOANS • ONLINE & MOBILE BANKING REVIEW • MOVE TO eNOTICES  
AND eDOCUMENTS • OFFICE REMODEL: SUNSHINE?

## YOUR ACHIEVEMENTS —



OPERATING EXPENSES REMAIN LOW



YOU SAVE MORE



YOU QUALIFY FOR AND FUND LARGER LOANS



YOU ARE TRUSTWORTHY AND REPAY  
YOUR LOANS



LOAN RATES ARE ABOUT HALF OF OTHER CUs



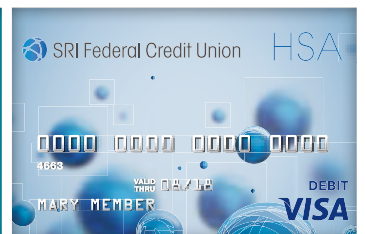
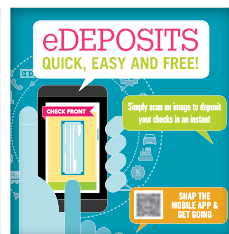
EXCESS FUNDS ARE INVESTED AT HIGHER  
RATES THAN OTHER CUs

	PEER CUs		DIALOGUE
2.47%	2.86%	(15.8%)	OPERATING EXPENSES/ASSETS
\$19,750	\$8,681	56.0%	AVERAGE SAVINGS
\$20,942	\$11,704	44.1%	AVERAGE LOANS
0.05%	1.02%	(1940.0%)	DELINQUENT LOANS/TOTAL LOANS
3.51%	5.38%	(53.3%)	AVERAGE LOAN YIELD
1.92%	1.11%	42.2%	AVERAGE INVESTMENT YIELD

## YOU KNOW WHERE YOU'RE GOING



## WE'LL HELP YOU GET THERE



# 2016 ANNUAL MEETING

## AGENDA

- Opening by Bill Fiock, President
- Approval of 2015 Annual Meeting Minutes
- President's Report
- Election of Officers
- Financial Report
- 2016 Initiatives
- Door Prize Drawing
- Adjournment
- Refreshments

## BOARD OF DIRECTORS

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

## SUPERVISORY COMMITTEE

Stephanie Gray, **Chair**  
 Rod Morimoto, **Member**  
 Diane Mustin, **Member**  
 Edward Riccio, **Member**  
 Rosa Sanchez, **Member**

## STAFF

Steve Bowles, **CEO/CFO**  
 Doreen Charan, **Member Service Representative**  
 Magdalena Czyz, **Accountant**  
 Hope Donovan-Bowles, **Consulting Executive**  
 Christopher Ensley, **Loan Officer**  
 Yadi Fernandez, **Universal Member Service Lead**  
 Amy Garcia, **Operations Supervisor**  
 Nya Munday, **Loan Representative**  
 Francisco Saenz, **Marketing Coordinator/  
 Senior Loan Officer**  
 Rick Valderrama, **Project Lead/Systems Administrator**  
 Grace Yeung, **Senior Accountant**

**WITHOUT YOU**  
 there is no credit union!

**3,624**   
**MEMBERS STRONG!**

## PRESIDENT'S MESSAGE

In 2015, SRI Federal Credit Union grew to over \$79 million! This growth included 3.1% for regular savings, 11.1% for checking balances, 23.9% for mobile banking users and 20% for eDeposit users. Growth in auto loans was strong at 12.8%, but total loan balances declined by 5.61%. The new 5-5 adjustable rate mortgage loan was popular and adjustable rate mortgage balances increased 128%. High quality, personal service continues to attract membership interest in the credit union's many products and services!

SRI Federal Credit Union remains financially secure and stable. In 2015, net income was \$469,836. Asset quality continues to be excellent with the delinquency ratio at .05%, which is much lower than the industrial standard of 1.02%. The credit union remains well capitalized with net equity of \$6.5 million.

The credit union members really make good use of the credit union's transactional services! Visa debit and credit card transactions averaged over \$1.72 million per month. Total Visa debit and credit card transactions for the year were over \$20.6 million. Members deposited \$30.6 million of check deposits, with \$4.08 million through the eDeposit mobile application. Automated deposits were nearly \$94 million and members wrote over \$48 million in checks from their credit union checking accounts. In addition, members took advantage of the Credit Union's bill payment platform to make \$6.5 million in on-line payments. Overall, there was a 14% increase in transactional volume. This was supported by our excellent professional staff.

Thank you to the dedicated staff for their commitment to a core of strong values and 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.

You know where you want to go – let us help you get there!

*Bill Fiock, President*

## FINANCIALS

BALANCE SHEET	2015	2014	\$ Change	% Change
Loans	\$ 35,002,065	\$ 37,082,903	\$ (2,080,838)	(5.61)%
Cash & Investments	42,731,304	39,380,545	3,350,759	8.51%
Other Assets	1,402,649	1,516,515	(113,866)	(7.51)%
Total Assets	\$ 79,136,018	\$ 77,979,963	\$ 1,156,055	1.48%

Accounts Payable	\$ 535,029	\$ 457,624	\$ 77,405	16.91%
Member Savings	72,145,310	71,374,331	770,979	1.08%
	\$ 72,680,339	\$ 71,831,955	\$ 848,384	1.18%

Unrealized Investments Gain (Loss)	\$ (740,244)	\$ (578,079)	\$ (162,165)	(28.05)%
Undivided Earnings and Reserves	7,195,923	6,726,087	469,836	6.99%
Capital	\$ 6,455,679	\$ 6,148,008	\$ 307,671	5.00%
Total Liabilities & Capital	\$ 79,136,018	\$ 77,979,963	\$ 1,156,055	1.48%

INCOME STATEMENT	2015	2014	\$ Change	% Change
Income	\$ 2,463,256	\$ 2,569,167	\$ (105,911)	(4.12)%
Operating Expenses	\$ 2,040,073	\$ 2,009,506	\$ 30,567	1.52%
Dividends	162,106	186,279	(24,173)	(12.98)%
Other Costs of Funds	19	258	(239)	(92.64)%
Total Costs	\$ 2,202,198	\$ 2,196,043	\$ 6,155	0.28%
Net Income before Other Gain	261,058	373,124	(112,066)	(30.03)%
Other Gain (Loss)	208,778	161,026	47,752	29.65%
Net Income	\$ 469,836	\$ 534,150	\$ (64,314)	(12.04)%

## SUPERVISORY COMMITTEE'S REPORT

The Supervisory Committee is an independent committee appointed by the Board of Directors for the purpose of ensuring accurate records, protection of members' funds and maintaining quality system of checks and balances.

We ensure the Board of Directors functions in a manner beneficial to the members. We also review practices and procedures followed by staff to verify that management carries out the policies set by the Board. In addition, we monitor that operations are conducted in accordance with governing rules and regulations and assets are properly administered. The Committee retained the services of an outside Certified Public Accountant firm to perform the December 31, 2015 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 Committee has kept the Board of Directors and credit union management apprised of all the ongoing examinations and any related recommendations we may have. Based on the interactions with the Board of Directors, Executive Management and internal control reviews conducted by the Committee, we are confident that the accounting records and financial reports fairly represent the conditions of SRI Federal Credit Union as of year-ending 2015.

*Stephanie Gray, Supervisory Committee Chairperson*

## ANNUAL MEETING MINUTES

The 58th Annual Meeting of SRI Federal Credit Union was called to order at 12:05 PM by President Peter Gibb on March 18, 2015. After welcoming the attending members, Mr. Gibb reviewed a number of service improvements and new products.

Mr. Gibb requested everyone review the written minutes from the March 19, 2014, Annual Meeting. A motion to accept was made from the floor. The motion was seconded and carried.

The 2015 financial report and accomplishments were presented by Steve Bowles.

The Nominating Committee's list of candidates for the Board of Directors was presented: Ann Johnston, JD Smith, Aurora Allen and JoAnn Hodges-Velayo. A member motioned to accept the Nominating Committee's list of nominees. The motion was seconded and carried.

Door prizes were awarded and Peter Gibb announced that the staff and volunteers would be available to answer questions during refreshments in the reception area. The meeting was adjourned at 12:45 PM.

*JoAnn Hodges-Velayo, Secretary*