



SRI Federal Credit Union

TWENTY FOURTEEN

ANNUAL REPORT



eDeposits Users

497

Bill Payment Users

776

Mobile Users

890

eStatements/eDocuments

1,528

Online Banking Users

3,073

Total Members

3,876

MEMBER ENGAGEMENT

PEER REVIEW

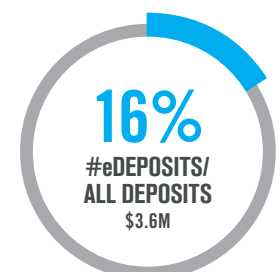
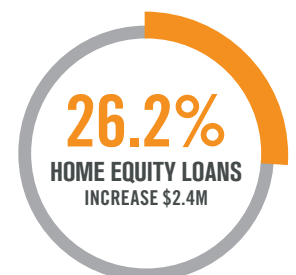
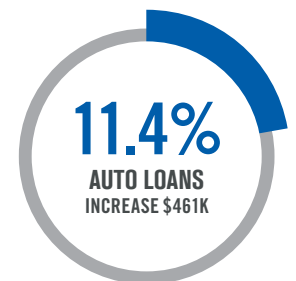
	SRI FCU	PEER	NOTE!
Average Savings	\$18,414	\$8,560	115% Higher
Yield on Investments	2.07%	1.09%	90% Higher
Delinquency Ratio	0.08%	1.19%	93% Lower
Fee Income/Average Assets	0.54%	1.27%	58% Lower
Expenses/Average Assets	2.63%	3.71%	29% Lower

ROADMAP 2015

- 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

DIRECTIONS 2014

- Reactive Website Redesign
- New Foreign Wire Program
- eDeposits
- eDocuments & eStatements
- Disaster Recovery
- Pending Transactions Online



ANNUAL
MEETINGWED
March 18TWELVE
NOON

AGENDA

- Opening by Peter Gibb, President
- Approval of 2014 Annual Meeting Minutes
- President's Report
- Financial Report
- 2015 Road Map
- Election of Officers
- Door Prize Drawing
- Adjournment
- Refreshments

BOARD OF DIRECTORS

Peter Gibb, President
 Peter Valenti, Vice President
 William Fiock, Treasurer
 JoAnn Hodges-Velayo, Secretary
 Ann Johnston, Director
 John Prausa, Director
 JD Smith, Director

SUPERVISORY COMMITTEE

Aurora Allen, Chair
 Stephanie Gray
 Edward Riccio
 Rosa Sanchez
 Regis Vincent

STAFF

Steve Bowles, CEO/CFO
 Melisa Brandis, Operations Lead
 Doreen Charan, Member Service Representative
 Hope Donovan-Bowles, Consulting Executive
 Christopher Ensley, Loan Officer
 Michelle Matias, Member Service Representative
 Nya Munday, Member Service Representative
 Francisco Saenz, Marketing Coordinator / Senior Loan Officer
 Rick Valderrama, Project Lead / Systems Administrator
 Grace Yeung, Senior Accountant

PRESIDENT'S
MESSAGE

In 2014, SRI Federal Credit Union grew to nearly \$78 million! This growth included 7.9% for regular shares, 9.4% for checking balances, 16.3% for billpay accounts and 13.5% for the number of loans granted. Growth in auto loans was 11.4%, and home equity loan balances grew by 26%. High-quality, personal service continues to attract interest in the credit union's products and services!

Financially the credit union did very well in 2014. Net income was \$534,150, an increase of \$159,732 (43%) over 2013. This was due to a non-recurring gain of \$161,000 from the sale of an asset. In addition, the market value of the credit union's investment portfolio increased by \$2.3 million. Asset quality continues to be excellent with the delinquency ratio at .08%, significantly lower than the industrial standard of 1.19%. The credit union remains well capitalized with over \$6.1 million.

The credit union members really use the credit union's transactional services! An average of over \$1.9 million in Visa

transactions clear per month. For the year, members deposited \$34.1 million of total check deposits, with \$3.6 million through the eDeposit mobile application. They wrote over \$46 million in checks from their credit union checking accounts and had automated deposits of over \$85 million. Plus they used the bill payment system to make payments of over \$6.2 million. Total credit card charges were over \$19 million. Overall, there was an 18% 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. Finally, the Board would like to recognize John Prausa who is leaving the Board after 22 years of service. His cool head and logical thinking will be greatly missed by both the Board and the staff.

Peter Gibb
 President

FINANCIALS

BALANCE SHEET	2014	2013	\$ Change	% Change
Loans	\$ 37,082,903	\$ 36,150,301	\$ 932,602	2.58%
Cash & Investments	39,380,545	36,735,949	2,644,596	7.20%
Other Assets	1,516,515	1,976,403	(459,888)	(23.27)%
Total Assets	\$ 77,979,963	\$ 74,862,653	\$ 3,117,310	4.16%

Accounts Payable	\$ 457,624	\$ 478,813	\$ (21,189)	(4.43)%
Member Savings	71,374,331	71,025,838	348,493	.49%
	\$ 71,831,955	\$ 71,504,651	\$ 327,304	.46%

Unrealized Investments Gain (Loss)	\$ (578,079)	\$(2,833,935)	\$ 2,255,856	79.60%
Undivided Earnings and Reserves	6,726,087	6,191,937	534,150	8.63%
Capital	\$ 6,148,008	\$ 3,358,002	\$ 2,790,006	83.09%
Total Liabilities & Capital	\$ 77,979,963	\$ 74,862,653	\$ 3,117,310	4.16%

INCOME STATEMENT

Income	\$ 2,569,167	\$ 2,628,329	\$ (59,162)	(2.25)%
Operating Expenses	2,009,506	2,012,428	(2,922)	(0.15)%
Dividends	186,279	239,735	(53,456)	(22.30)%
Other Costs of Funds	258	1,748	(1,490)	(85.24)%
Total Costs	\$ 2,196,043	\$ 2,253,911	\$ (57,868)	(2.57)%
Net Income before Other Gain	373,124	374,418	(1,294)	(0.35)%
Other Gain (Loss)	161,026	-	161,026	-
Net Income	\$ 534,150	\$ 374,418	\$ 159,732	42.66%

SUPERVISORY
COMMITTEE
REPORT

The Supervisory Committee is responsible for the audit and verification of the credit union records. The Committee also ensures that both professional staff and officials properly perform their duties in a safe manner to assure the credit union has adequate operational procedures in effect to provide for the safety of the members' funds. To carry out the Committee's responsibilities, an independent certified public accounting firm performs an annual audit. Accordingly, the Committee reviews operational procedures of the credit union and makes applicable recommendations to the Board of Directors. In 2015, a firm specializing in audits of credit unions will be performing the audit with an audit date of December 31, 2015.

The accounting records and reports are prepared promptly and accurately, and internal controls are adequate. Additionally, we are confident that the planning established by the Board of Directors is sound.

Aurora Allen
 Chair



SRI Federal Credit Union

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ANNUAL MEETING
MINUTES

The 57th Annual Meeting of the SRI Federal Credit Union was called to order at 12:05 PM by President Peter Gibb on 19 March 2014. After welcoming the large gathering of attending members, Mr. Gibb reviewed the number of service improvements including mobile banking apps, online enhancements, eDocument portal, eSignatures and the popular mobile check deposit system – eDeposits. The focus on high-quality, personalized service attracts new members and the total membership grew to 3,904 members. SRI International regional offices represented 10% of the new accounts in 2013 and family members over 23% of new accounts. Members are continuing to see value in membership adding \$1.7 million to regular savings.

He emphasized the credit union's commitment to keeping pace with industry innovation and that loans to our members are our best investments! Funds are available for loans and HELOCs provide a tremendous value.

Mr. Gibb requested everyone review the written minutes from the 20 March 2013 Annual Meeting. A motion to accept was made from the floor. The motion was seconded and carried.

The 2013 financial report and 2013 accomplishments were presented by Steve Bowles.

The Nominating Committee's slate of candidates for the Board of Directors was presented: William Fiock, Peter Gibb and Peter Valenti. 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.