



IT'S TIME • TO TALK NUMBERS

AGENDA

- Opening: Bill Fiock, President
- President's Report
- Election of Officers
- Financial Report
- 2017 Highlights
- 2018 Road Map
- Door Prize Drawings
- Adjournment
- Refreshments

2017 HIGHLIGHTS

- **Total Loans are up by 23%**



- **Student loans up 42%**



- **ROA is .81% (Budget was .50%)**



2017 ACCOMPLISHMENTS

- **New Website**
- **New Mobile App**
- **New Online Banking Site**
- **Bi-Weekly Mortgage Payments**

PRESIDENT'S MESSAGE

SRI Federal Credit Union had another strong year in 2017. Our commitment to our members along with providing an outstanding member experience has helped us set new records. In 2017, we earned over \$700,000 and reached \$90 million in assets. Capital is close to \$8 million! Our strong suite of savings options priced above market rate have encouraged our members to add \$6 million to their savings accounts – an increase of 8%. We added mobile banking features expanding the ability of members to access their accounts and transfer money.

SRI Federal Credit Union remains financially secure and stable. In 2017, net income was \$706,850, up from \$324,061 in 2016. Loans grew by \$9.9 million (23%). Asset quality continues to be excellent with the delinquency ratio at .07%, which is one-fourteenth of the peer average of 1.04%. The credit union remains well capitalized with net equity of \$7,979,793.

We were pleased to keep the loan rates low with auto loans as low as 1.99% for the entire year. As the Federal Reserve increased rates, we have been increasing dividend rates. High quality, personal service continues to attract membership interest to the credit union's many products and services.

Behind the scenes, the credit union has enhanced security features over money transfers, implemented a yield enhancement program, rolled out bi-weekly mortgage payments, and formalized policies and procedures. The new document imaging system has already improved efficiency while reducing the amount of space needed. The credit union is preparing to move upstairs in 2018 allowing members much easier access to the branch.

Thank you to the dedicated staff 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

BALANCE SHEET

	12.31.2016	12.31.2017	\$ Difference	% Difference
Loans	\$ 42,724,246	\$ 52,682,577	\$ 9,958,331	23.31%
Cash & Investments	39,362,363	35,997,829	(3,364,534)	-8.55%
Other Assets	1,261,573	1,288,574	27,001	2.14%
TOTAL ASSETS	\$ 83,348,182	\$ 89,968,980	\$ 6,620,798	7.94%
Liabilities	\$ 701,810	\$ 536,874	\$ (164,936)	-23.50%
Shares	75,390,190	81,452,313	6,062,123	8.04%
Capital	7,256,182	7,979,793	723,611	9.97%
TOTAL LIABILITIES & EQUITY	\$ 83,348,182	\$ 89,968,980	\$ 6,620,798	7.94%

INCOME

	12.31.2016	12.31.2017	\$ Difference	% Difference
Income	\$ 2,488,149	\$ 2,952,482	\$ 464,333	18.66%
Operating Expense	(2,151,691)	(1,794,768)	356,923	-16.59%
Dividends	(190,709)	(450,864)	(260,155)	136.41%
Non-operating Gain (Loss)	178,312	—	(178,312)	-100.00%
NET INCOME	\$ 324,061	\$ 706,850	\$ 382,789	118.12%

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is an independent committee, appointed by the Board of Directors, for the purpose of providing members with an independent appraisal of the safety and soundness of SRI Federal Credit Union's operations and activities. We conduct internal reviews to test records, monitor that operations are carried out in accordance with governing rules and regulations, and participate in the annual external audit to help ensure that your assets within the credit union, are safeguarded and that financial results are adequately 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, 2017 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 strong and well managed.

Stephanie Gray, Supervisory Committee Chairperson

2018 ROADMAP

Expansion of Field of Membership to all SRI tenants and spinoffs

Home Banking Update

Rental/Income Property Mortgages & HELOC loans

New SRI FCU branch and offices on ground floor

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**
Andrew Netto **Member**
Diane Reiter **Member**
Rosa Sanchez **Member**

STAFF:

Steve Bowles **CEO/CFO**
Magda Czyz **Accountant**
Christopher Ensley **Loan Officer**
Yadi Fernandez **Loan Officer**
Amy Garcia **Operations Supervisor**
Rahul Nand **MSR**
Francisco Saenz **Marketing Officer**
Isabel Sanchez **MSR**
Rick Valderrama **Project Lead**
Karina Yap **Operations Lead**

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