



# REAL PEOPLE. REAL IMPACT.



## AGENDA

- Opening: Bill Fiock, President
- President's Report
- Election of Officers
- Financial Report
- 2018 Highlights
- Highlighted Products and Promotions
- Door Prize Drawings
- Adjournment
- Refreshments

## HIGHLIGHTS

- **Total Loans are up by 23%**
- **1st Mortgages up 68%**
- **Dividends paid to members up 95%**

## RETURN TO MEMBER

**In 2018, Callahan and Associates ranked SRI Federal Credit Union**

- **#1 in California (out of 150)**
- **#6 in the Nation (out of 727)**

## PRESIDENT'S MESSAGE

SRI Federal Credit Union continued to have a strong year in 2018. Net income grew allowing over \$775,000 to be added to capital. Capital has exceeded \$8 million and now stands at \$8.7 million. As interest rates have increased, the credit union has responded with higher dividends. Members enjoyed higher dividends with over half a million dollars of dividends paid (a 95% increase from the prior year). Loan rates continue to be some of the lowest rates that can be found. The credit union closed the year with over \$92 million in assets which included over \$83 million in member's savings deposits. In particular, members are enjoying high certificate rates and have increased their deposits in certificates by over 50% (from \$8 million to \$12 million).

The credit union location had been in the basement since 1957 (61 years) and members have been requesting a more accessible location. Design, planning, and relocation from the basement to the new office on the ground floor was completed on November 12, 2018. A big "Thank You" goes out to SRI International, their facilities team, and the credit union staff for the effort to make this happen. The branch is now much more accessible and family members no longer need to badge in to visit the credit union.

Non-branch services via the internet continue to be enjoyed by the membership. Whether it be by depositing a check with your smart phone or paying bills via the bill payment system, members continue to use these services extensively. These services are rapidly evolving and we understand the need to push our vendors to develop the latest and greatest features. Recently we updated the home banking service with stronger security and to provide some additional features members were requesting.

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

<b>BALANCE SHEET</b>	<b>12.31.2017</b>	<b>12.31.2018</b>	<b>\$ Difference</b>	<b>% Difference</b>
Loans	\$52,682,577	\$64,955,326	\$12,272,749	23.30%
Cash & Investments	35,997,829	25,498,382	(10,499,447)	-29.17%
Other Assets	1,288,574	2,410,883	1,122,309	87.10%
<b>TOTAL ASSETS</b>	<b>\$89,968,980</b>	<b>\$92,864,591</b>	<b>\$2,895,611</b>	<b>3.22%</b>

Liabilities	\$536,874	\$413,384	(\$123,490)	-23.00%
Shares	81,452,313	83,658,727	2,206,414	2.71%
Capital	7,979,793	8,792,480	812,687	10.18%
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$89,968,980</b>	<b>\$92,864,591</b>	<b>\$2,895,611</b>	<b>3.22%</b>

<b>INCOME</b>	<b>12.31.2017</b>	<b>12.31.2018</b>	<b>\$ Difference</b>	<b>% Difference</b>
Income	\$2,952,482	\$3,356,870	\$404,388	13.70%
Operating Expense	(1,794,768)	(2,039,095)	(244,327)	-13.61%
Dividends	(249,359)	(485,040)	(235,681)	(94.51)
Interest on Borrowed Funds	(201,505)	(57,629)	143,876	71.40
<b>NET INCOME</b>	<b>\$706,850</b>	<b>\$775,106</b>	<b>\$68,256</b>	<b>9.66%</b>

## 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 serve as the members' representative to the Board and help resolve member complaints. We also 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.

The Committee retains the services of an outside Certified Public Accounting firm to perform the December 31, 2018 annual audit and verification of member accounts. Additionally, the National Credit Union Administration (NCUA), our regulatory agency, conducts 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 the Certified Public Accountants, the latest examination by the NCUA, and our internal reviews, the Supervisory Committee is satisfied that adequate internal controls exist to protect member accounts and the financial statements accurately reflect the performance and condition of the credit union.

**Stephanie Gray**, Supervisory Committee Chair

## 2019 CURRENT SPECIALS

**Zero Emissions Vehicle discount of .26% available**

**Special 1-year CD at 2-year rate available. Hurry, before it's gone!**  
(Special available for new money only)

**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**  
J.D. Smith **Treasurer**  
Aurora Allen **Secretary**  
JoAnn Hodges-Velayo **Director**  
John Prausa **Director**  
Regis Vincent **Director**

### SUPERVISORY COMMITTEE:

Stephanie Gray **Chair**  
Ben English **Member**  
Kellie Keifer **Member**  
Rod Morimoto **Member**  
Rosa Sanchez **Member**

### STAFF:

Steve Bowles **CEO**  
Magda Czyz **Senior Accountant**  
Yadi Fernandez **Loan Officer**  
Amy Garcia **Operations Mgr.**  
Dan Mirsalis **Member Service Rep.**  
Rahul Nand **Loan Rep.**  
Francisco Saenz **Marketing Officer**  
Isabel Sanchez **Member Service Rep.**  
Rick Valderrama **Project Lead**  
Natekia West **Member Service Rep.**  
Karina Yap **Loan Rep.**

### CONTACT US:

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