

2013

ANNUAL REPORT



**Cal State L.A.
Federal Credit Union**

Cal State L.A. Federal Credit Union
2014 Annual Meeting
March 13, 2014

Agenda

1. Welcome and Introductions
2. Call to Order
3. Minutes of the Annual Meeting 2013
4. Treasurer's Report
5. Supervisory Committee Report
6. Presentation of Candidates

Richard Romano, incumbent
Sylvia Velasquez, incumbent
Judy Jenkins, incumbent
7. Election
8. Unfinished Business
9. New Business
10. Adjournment

Your Board and Supervisory Committee		Your Credit Union Staff	
Maria Gutierrez	Board Chair	Ida Chapko	Chief Executive Officer
Sylvia Velasquez	Board Vice Chair	Joan Gull	Chief Financial Officer
Richard Romano	Board Secretary/Treasurer	Sonia Perez	Lending Manager
Andrew Winnick	Board Member	Juan Carlos Ortega	MSR Supervisor
Judy Jenkins	Board Member	Amanda Santistevan	Operations Specialist
Raul Jimenez, Jr.	Board Member	Gracie Sanchez	EFT/ACH Clerk
Steven Nahabedian	Supervisory Committee Chair	Elisa Cortez	Loan Officer
Amante Bueno	Supervisory Committee	Lorena Garcia	Collector
Dale Mascari	Supervisory Committee	Lupe Perez	MSR
Tegan Kramer	Supervisory Committee	Star Mackenzie	MSR
		Lucia Reyes	MSR
		Jose Perez	MSR

Minutes of the 2012 Annual Meeting Held March 14, 2013

I. CALL TO ORDER

The meeting was called to order by the Chair of the Board, Sylvia Velasquez at 5:00pm. Board and Staff introductions and recognition for 20 years of service are awarded to Joan Gull and Gracie Sanchez, and 35 years of service for Richard Romano.

II. ROLL CALL

Maria Gutierrez, Acting Chair of the Supervisory Committee, declared that a quorum of the membership was present, in accordance with NCUA bylaws.

III. MINUTES

Rich Romano asked the membership to waive the reading of the minutes and approve as written in the Annual Report.

M/s/p to approve the minutes of the 2011 Annual Meeting held on March 15, 2012.

IV. REPORTS

Steve Nahabedian, Board Treasurer, made a motion to accept the 2012 Treasurers Report printed in the Annual Report.

M/s/p to accept the written report of the Treasurer, Steve Nahabedian.

Janet Christmann, Supervisory Committee member made a motion to accept the written report of the Supervisory Committee, printed in the Annual Report

M/s/p to accept the written report of the Supervisory Committee.

V. PRESENTATION OF CANDIDATES

Sylvia Velasquez presented the slate of candidates for three year terms: Maria Gutierrez, (incumbent) position 6, Ruben Collaso (incumbent) position 3.

VI. ELECTIONS

Sylvia Velasquez declared by acclamation that Maria Gutierrez and Ruben Collaso are elected for a three year term.

VII. UNFINISHED BUSINESS

No unfinished business

VIII. NEW BUSINESS

Richard Romano and Steven Nahabedian invite members of the credit union to volunteer for the Supervisory Committee.

IX. ADJOURNMENT

M/s/p to adjourn the meeting at 5:30pm

Supervisory Report for 2013

The Supervisory Committee independently evaluates the soundness of Cal State L.A. Federal Credit Union's operations and activities, ensuring that management implements sound internal controls and maintains practices and procedures that adhere to generally accepted accounting principles. In doing so, we carry out the following primary responsibilities:

- Protection of members' funds and interests;
- Safeguarding of assets;
- Compliance with regulations, policies and procedures; and
- Reliability of financial records.

The Committee meets regularly to review and discuss internal controls and to perform various internal audits. An independent accounting firm is retained to perform an annual financial audit and issue certified financial statements as they relate to the overall financial condition of Cal State L.A. Federal Credit Union.

Based on the results of the 2013 annual audit performed by Richards & Associates, CPAs, as well as periodic exams conducted by the National Credit Union Administration, we conclude that Cal State L.A. Federal Credit Union is financially safe and sound.

Treasurers Report

CAL STATE L.A. FEDERAL CREDIT UNION

BALANCE SHEET 12/31/13

ASSETS	12/31/13	12/31/12	% CHANGE
TOTAL LOANS	26,749,499	27,770,177	
ALLOWANCE FOR LOAN LOSS	(341,862)	(486,813)	
ACCOUNTS RECEIVABLE	4,846	24,420	
CASH ON HAND	567,619	652,863	
INVESTMENTS	12,682,780	12,717,927	
NET LAND/BUILDING	803,816	823,926	
OTHER ASSETS	406,771	799,203	
TOTAL ASSETS	40,873,469	42,301,703	(3.49%)
LIABILITIES			
ACCOUNTS PAYABLE	(8,712)	87,873	
ACCRUED EXPENSES	112,543	135,321	
ANTICIPATED DIVIDENDS	1	2	
OTHER LIABILITIES	0	0	
TOTAL LIABILITIES	103,832	223,196	(114.96%)
MEMBER SHARE ACCOUNTS	37,129,422	38,534,668	
REGULAR RESERVE	550,174	550,174	
UNDIVIDED EARNINGS	3,090,042	2,993,665	
TOTAL EQUITY	40,769,638	42,078,507	3.21%
TOTAL LIABILITIES & EQUITY	40,873,469	42,301,703	(3.49%)
CAPITAL RATIO	8.91%	8.38%	5.93%

Chair's Report

As a member of the Cal State L.A. Federal Credit Union, it has been an honor to serve as Chair of the Board of Directors during this past year. It is a privilege to be part of the team entrusted to protect your interests. Unlike other financial institutions, a credit union is owned and operated by the people it serves – one of many features that makes us unique. The primary focus of a credit union is to meet the financial needs of the membership, and to ensure quality service, while maintaining the highest levels of fiscal responsibility.

We are committed to exploring ways to enhance the quality of our services, and to provide the utmost in security in terms of your personal information, transactions, and assets. We will make every effort to excel in meeting your financial needs. We welcome the input of our membership, and urge you to let us know how we are doing.

Credit Unions rely heavily on dedicated volunteers who are elected by the membership to set direction and policies in accordance with the wishes of the membership. The Board of Directors and the Supervisory Committee assume enormous responsibilities and a demanding workload – without any monetary compensation. They do so because they are committed to the concept of helping individuals manage their financial future. They firmly believe that credit unions are the best option.

The staff and management team, led by our new Chief Executive Officer, Ida Chapko, continue to excel in protecting the interests of the membership, and in safeguarding the credit union's assets. I would like to take this opportunity to thank the members of the Board of Directors, the Supervisory Committee, and our extraordinary management and staff for all their diligent work, loyalty, dedication, and integrity. Our management, staff and volunteers will continue to do our utmost to deliver a variety of quality financial services to all of the members. We appreciate your loyalty as we look ahead to a challenging, but successful 2014.

Maria Gutierrez
Board Chairperson

CEO's Report

As the new Chief Executive Officer of Cal State L.A. Federal Credit Union, I appreciate this opportunity to review our accomplishments for 2013, and to share what's ahead in 2014. We have expanded and enhanced our products and services to better meet your needs, and to better position the Credit Union for the future.

In 2013, we added and enhanced many products and services to meet the demands of our members' busy lifestyles and to improve our member service experience at every level. The Credit Union partnered with an experienced mortgage provider and re-introduced mortgage lending for home purchases and refinancing. The maintenance and support of our credit card program was converted to an in-house system, providing employees and members with immediate, real-time access to credit card history, payments and information. Credit cards were further enhanced to include a rewards program, with points redeemable for travel, gift cards and products. Mobile banking is now more convenient and easier to use, thanks to a new mobile app, mobile browser, and text banking; and Saturday business hours are available for members who prefer to conduct business in our office. Behind the scenes, we upgraded our data processing system to ensure compatibility with advances in information technology, and to maintain the highest levels of security for your personal information.

This year you will see continued efforts to improve the level of service we provide. Early in 2014, we launched Propay, a convenient, easy to use access point for loan payments via computer, smartphone, and even text messages. I am also very pleased to announce that we recently unveiled our new program for Home Equity Lines of Credit, and we will soon offer an expanded selection of other mortgage products. Secure online chat is now available through Online Banking, and we plan to expand our overdraft protection options to provide you with greater peace of mind.

As we move forward, we are well prepared to assist you, and strongly committed to maintaining an active role on campus and in the communities we serve. With the guidance of a visionary Board of Directors and the efforts of dedicated employees, we pledge to remain focused on your needs. Thank you for continuing to place your trust in us.

Ida Chapko
Chief Executive Officer