

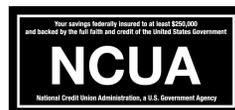


**Cal State LA
Federal Credit Union**

Annual Report 2016

Federally Insured By NCUA.

Equal Housing Lender.



Cal State L.A. Federal Credit Union

www.calstatela-fcu.org

Chair's Report

As a member of the Cal State L.A. Federal Credit Union, it has been an honor to serve our membership as Chair of the Board of Directors during this past year. It is a privilege to be part of the excellent team entrusted to protect your interests. Credit unions are owned and operated by the people they serve – one of many features that makes us unique and very different from other financial institutions. The primary focus of a credit union is always to meet the financial needs of the membership, while providing quality service and maintaining the highest levels of fiscal responsibility. This is particularly important given the challenging environment that all financial institutions continue to face in a constantly shifting regulatory environment.

We continue to explore 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 recognize that members are concerned about the security of their information and continue to make this a priority.

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

The staff and management team, superbly led by Chief Executive Officer, Ida Chapko, continue to excel in protecting the interests of the membership, and in safeguarding your 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. We will continue to do our utmost to deliver a variety of quality financial services and programs to all of the members, and to provide them in a way that best meets your needs. We always welcome the input of our membership, and urge you to let us know how we are doing.

We appreciate your loyalty as we look ahead to an exciting and successful 2017.

Maria Gutierrez
Board Chairperson



2017 Annual Meeting

Table of Contents

Agenda 1

CEO’s Report 2 – 3

2016 Meeting Minutes 4 - 5

Treasurer’s Report 6

Supervisory Report 7

Core Beliefs 8



2017 Annual Meeting

Agenda

1. Welcome and Introductions
2. CEO’s Report
3. Call to Order
4. Minutes of the Annual Meeting 2016
5. Treasurer’s Report—Financial Statement
6. Supervisory Committee Report
7. Presentation of Candidates
8. Election
9. Unfinished Business
10. New Business
11. Adjournment



CEO's Report

I'm very pleased to report that 2016 was a successful year for Cal State LA Federal Credit Union, supported by sound financial policies, effective management of resources and the continued loyalty and trust of our members. We ended 2016 in a position of financial strength, with net earnings of \$446k and a regulatory net worth ratio of 10.51%, exceeding the National Credit Union Administration's 7 percent requirement to be considered well capitalized. Total assets increased 7.58% during 2016, and we achieved loan growth of 15.7%. Our financial strength provides more than safety and soundness. It enables us to support our core beliefs and to invest in the development of products and services to meet the evolving needs of our membership.

In 2016, one of our priority projects was the opening of an office on the third floor of the Golden Eagle Building. Our new office did not open for business in 2016, but we began serving members in the new location during the 1st quarter of 2017. We are very excited to once again have a physical presence on the Cal State LA campus, and we look forward not only to serving our existing members, but to welcoming new members to the Credit Union.

We upgraded our mobile app in 2016, and the consistent growth in the number of mobile users confirms the need for our continued investment in technology. Other technology investments included a software platform for secure, electronic document management. In September 2016, we introduced electronic signature pads for teller transactions, resulting in archived, digital copies of all receipts, and we are working toward converting internal paper files to digital images. The security of your personal information remains a priority, and all digital files are stored in a secure environment with controlled access.

A highpoint of our year was accepting the Community Service Award from the Cal State LA Charter College of Education. The award was presented at the 27th Annual Distinguished Educators Awards Dinner, and we were humbled and honored to receive this recognition in the company of many distinguished educators and community leaders.

As we move forward in 2017, much of our energy will be focused on the success of our campus office. The new office does not process cash transactions, but most all other services are available. We are improving our debit card and credit card programs, but many of the changes are related to internal processing and efficiency and will not be immediately obvious to our members. We will continue to build relationships with the University and in the local community, and support the credit union philosophy of "people helping people".

Personal service remains a priority for the Credit Union and we seek to put the needs of our membership first in everything we do. We will continue to invest in the member experience, making Cal State L.A. Federal Credit Union the best choice for your banking needs. We care about your financial well-being, and it is our goal to help you save money, invest in your future, and enjoy peace of mind.

Oh behalf of Cal State L.A. Federal Credit Union, I extend my sincere gratitude for the continued loyalty and trust of our membership. Our success is only achieved with the support of our members, and the dedication of our Board of Directors, Supervisory Committee and staff.

Ida Chapko
Chief Executive Officer





Cal State L.A. Federal Credit Union
Minutes of the 2016 Annual Meeting
March 17, 2016

1. Call to Order

The meeting was called to order by Board Chair, Maria Gutierrez, at 12:16 pm. In accordance with the Credit Union bylaws, Chair Gutierrez declared that a quorum was present.

2. Minutes of the Annual Meeting 2015

A motion was made to dispense with the reading of the minutes and approve as presented in the Annual Report. M/s/p

3. Treasurer's Report/Financial Statement

A motion was made to accept the Treasurer's report as presented in the Annual Report. M/s/p

4. Supervisory Committee Report

A motion was made to accept the Supervisory Committee Report as presented in the Annual Report. M/s/p



5. Presentation of Candidates

Vice Chair Sylvia Velasquez presented the slate of candidates for three (3) year terms:

Maria Gutierrez, incumbent
 Raul Jimenez, Jr., incumbent

6. Election

Vice Chair Velasquez declared by acclamation that the two candidates are elected for three (3) year terms.

7. Unfinished Business

None

8. New Business

None. Supervisory Chair, Steven Nahabedian, addressed the group and encouraged members of the Credit Union to volunteer for Board or Supervisory Committee positions.

9. Adjournment

A motion was made to adjourn the meeting at 12:20 pm. M/s/p



Treasurer's Report

| CAL STATE L.A. FEDERAL CREDIT UNION | |
|---|-------------------|
| Consolidated Statement of Financial Condition as of 12/31/2016 | |
| (unaudited) | |
| ASSETS | |
| TOTAL LOANS | 35,152,548 |
| ALLOWANCE FOR LOAN LOSS | -260,276 |
| ACCOUNTS RECEIVABLE | 85,702 |
| CASH ON HAND | 651,808 |
| INVESTMENTS | 9,648,059 |
| NET LAND/BUILDING | 756,124 |
| OTHER ASSETS | 892,309 |
| TOTAL ASSETS | 46,926,274 |
| LIABILITIES | |
| ACCOUNTS PAYABLE | 17,390 |
| ACCRUED EXPENSES | 154,719 |
| OTHER LIABILITIES | 11,348 |
| TOTAL LIABILITIES | 183,457 |
| MEMBER SHARE ACCOUNTS | 41,811,646 |
| REGULAR RESERVE | 550,174 |
| UNDIVIDED EARNINGS | 4,380,997 |
| TOTAL EQUITY | 46,742,817 |
| TOTAL LIABILITIES & EQUITY | 46,926,274 |
| | |
| NET WORTH RATIO | 10.51% |

Supervisory Report

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
- 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 of Cal State L.A. Federal Credit Union, conducted in accordance with standards established by the American Institute of Certified Public Accountants.

Results of the 2015 annual audit performed by Richards & Associates, CPAs, as well as periodic exams conducted by the National Credit Union Administration, indicate that the financial statements present fairly the results of the operations and financial position for the period, and no material weaknesses in internal controls were reported.

Steven Nahabedian
Chairperson

Core Beliefs

We believe in empowering people to achieve and maintain financial health.

We believe that all people have a right of access to quality core financial services.

We believe that people who are financially sound are more productive in both their professional and personal lives.



2016 BOARD OF DIRECTORS

Maria Gutierrez
Chairperson

Sylvia Velasquez
Vice President

Richard Romano
Secretary/Treasurer

Andrew Winnick
Director

Raul Jimenez Jr.
Director

Vince Fazzi
Director

Steven Nahabedian
Director/Supervisory Committee Chair

2016 SUPERVISORY COMMITTEE

Steven Nahabedian
Chairperson

Amante Bueno
Member

Ernesto Covarrubias
Member