



Cal State L.A.
Federal Credit Union

Annual Report 2021



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2021 Annual Report

Cal State L.A. Federal Credit Union 2021 Annual Meeting Agenda November 2, 2022

1. Welcome and Introductions
2. Call to Order
3. Minutes of the 2020 Annual Meeting (Held November 9, 2021)
4. Treasurer's Report – Financial Statement
5. Supervisory Committee Report
6. Presentation of Candidates
Maria Gutierrez, incumbent
7. Election
8. Unfinished Business
9. New Business
10. Adjournment



Chair's Report

On behalf of the Board of Directors I want to express our sincere gratitude for your loyal support throughout this challenging year. Our credit union continues to thrive because of the participation of its members. We rely on that participation as the bedrock of our business model which seeks to assist and empower each and every member in successfully managing their financial future. Credit unions are a financial cooperative, owned by members and committed to meeting the financial needs of that membership, and to making a difference in the communities that we serve. We strive to always provide quality service and to maintain the highest levels of fiscal responsibility in protecting your interests and improving the security of your assets.

It has been a privilege to serve our members as Chair of the Board of Directors during this past year. While the global pandemic has continued to present many challenges for us all, we recognize that providing quality financial services during this period of uncertainty is our primary responsibility.

Each member of the Board is charged with increasingly complex oversight responsibilities, which include a strong focus on regulatory requirements and member information security. I want to assure you that although we are unpaid volunteers, we take these responsibilities seriously.

Our very talented staff and management team, led by Chief Executive Officer, Marc Jacoby, continue to excel in protecting the interests of the membership. 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 best to deliver a variety of quality financial services and programs, 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 loyal support as we look forward to serving you in 2023 and beyond.

Maria Gutierrez
Board Chairperson

Board of Directors

Maria Gutierrez, Board Chair

Sylvia Velasquez, Board Vice Chair

Andrew Winnick, Board Secretary/Treasurer

Steven Nahabedian, Board Member

Vince Fazzi, Board Member

Supervisory Committee

Dan Thomas, Supervisory Committee Chair

Oscar Jaimes, Supervisory Committee Member

Salvador Choto, Supervisory Committee Member



CEO'S Report

I'd like to take this opportunity to introduce myself to the members of Cal State LA Federal Credit Union. My name is Marc Jacoby and I assumed leadership of the credit union team in March, 2022. Since this annual meeting discusses the results of 2021, I will appropriately offer credit for 2021 to my predecessor, Ida Chapko. With the transition of roles, our commitment to the credit union philosophy of "people helping people" remains our top priority; focusing on our members' financial wellness while maintaining the strength of the Credit Union.

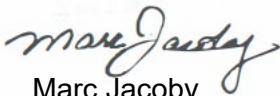
During 2021, Cal State L.A. FCU, for the most part, returned to traditional work hours and facilities. The on-campus office, which closed in 2020, remained closed throughout 2021. The credit union also did not restore Saturday hours during 2021. In order to best assure the safety of staff and membership we maintained protocols and continued to follow guidelines issued by the Centers for Disease Control and Prevention as well as state and local health officials.

During 2021, remodeling of our Mariondale building was substantially completed with only a few outstanding items remaining uncompleted. The interior remodel resulted in better usage of available square footage to accommodate future growth as well as overall improved aesthetics.

Despite the continuing operational challenges, the Credit Union finished the year financially secure, poised to expand our member base and to plan for additional products and services. Some key financial highlights from 2021 are as follows:

- Regulatory Net worth of 9.44%, which exceeds the industry standard where a ratio of 7% is considered "well capitalized";
- Asset growth of 15%; Total assets of \$69.9 million;
- Return on average assets of .37%; Earnings in 2021 were higher than the previous year due to funds utilized for pandemic response efforts during 2020; and
- Annual loan growth of 31.5%. The credit union achieved unprecedented growth in real estate lending during 2021.

I would like to thank our members for their patience and understanding as we adapted to changes required by state and local health officials. Sincere gratitude goes to credit union staff; who as employees of an essential business continued to work throughout the year, supporting the financial needs of our members. With guidance from our volunteer Board of Directors and Supervisory Committee, we remain focused on our core values and a collaborative and productive future.



Marc Jacoby
Chief Executive Officer



2021 Annual Report

Cal State L.A. Federal Credit Union
Minutes of the 2020 Annual Meeting
November 9, 2021

The 2020 Annual Meeting was a virtual meeting, conducted via Zoom.

1. Call to Order

The meeting was called to order by Board Chair Maria Gutierrez at 5:04 pm. In accordance with Credit Union bylaws, Chair Gutierrez declared that a quorum was present.

2. Minutes of the 2019 Annual Meeting (Held November 10, 2020)

A motion was made and seconded 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 and seconded to approve the Treasurer's Report as presented in the Annual Report. M/s/p

4. Supervisory Committee Report

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

5. Presentation of Candidates

Chair Gutierrez, also a member of the Nominating Committee, presented the slate of candidates for two 3-year terms.

Andrew Winnick, incumbent
Vince Fazzi, incumbent

6. Election

Chair Gutierrez declared by acclamation that the candidates are elected and will each serve a 3-year term.

7. Unfinished Business

There was no unfinished business.

8. New Business

There was no new business.

9. Adjournment

A motion was made and seconded to adjourn the meeting at 5:11 pm. M/s/p



Treasurer's Report

CAL STATE L.A. FEDERAL CREDIT UNION	
Consolidated Statement of Financial Condition 12/31/2021 (Audited)	
ASSETS	12/31/21
TOTAL LOANS	51,624,172
ALLOWANCE FOR LOAN LOSS	-171,003
ACCOUNTS RECEIVABLE	461,714
CASH ON HAND	573,521
INVESTMENTS	13,856,502
NET LAND/BUILDING	2,643,715
OTHER ASSETS	916,807
TOTAL ASSETS	69,905,428
LIABILITIES	
ACCOUNTS PAYABLE	245,702
ACCRUED EXPENSES	522,895
TOTAL LIABILITIES	768,597
MEMBER SHARE ACCOUNTS	62,737,510
REGULAR RESERVE	550,174
UNDIVIDED EARNINGS	6,046,858
UNREALIZED GAIN/(LOSS)	-197,711
TOTAL EQUITY	69,136,831
TOTAL LIABILITIES & EQUITY	69,905,428
NET WORTH RATIO	9.44%



Treasurer's Report

CAL STATE L.A. FEDERAL CREDIT UNION	
Consolidated Statement of Income 12/31/2021 (Audited)	
	12/31/21
INTEREST INCOME	
Interest on Loans to Members	1,919,623
Interest on Investments	149,916
	\$ 2,069,539
INTEREST EXPENSE	
Dividends on Member Shares	64,845
Net Interest Income	2,004,694
Provision for Loan Losses	15,000
Net Interest Income after Provision	\$ 1,989,694
NON INTEREST INCOME/LOSS	
Income from Fees and Services	148,088
Miscellaneous Income	313,901
Gain on Sale of Investments	18,994
Non-Operating Gain/Loss	42,722
	\$ 523,705
GENERAL AND ADMINISTRATIVE EXPENSES	
Compensation and Benefits	1,119,497
Operations	1014105
Occupancy	140,864
	\$ 2,274,466
	\$ 238,933
NET INCOME	



Supervisory Report

The Supervisory Committee independently evaluates the soundness of Cal State L.A. Federal Credit Union operations and activities. The Committee ensures implementation of sound internal controls, practices and procedures that adhere to generally accepted accounting principles by utilizing internal controls to effectively show compliance with board standards and reporting of documented accounting information.

In doing so, we carry out the following primary responsibilities:

- Protection of members' funds and interests by participating in on-site random cash audits;
- Safeguarding of member interests through ensuring the regular use of an application for the purpose of establishing credit union membership;
- Compliance with regulations, policies and procedures; and
- Ensuring reliability of financial records by committing to a regular review of files, documenting discrepancies and noting follow up documentation through the use of the Supervisory Committee Review sheet.

Supervisory Committee members review, discuss and perform various internal checks monthly. An independent audit 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 2021 annual audit performed by Richards & Associates, CPAs, as well as periodic exams conducted by the National Credit Union Administration, indicate that the financial statements accurately represent the results of the operations and financial position for the period, and no material weaknesses in internal controls were reported.

Daniel Thomas

Daniel Thomas
Supervisory Committee Chair

