



Cal State LA Federal Credit Union

Annual Report 2023

Cal State L.A. Federal Credit Union
www.calstatela-fcu.org



Federally Insured By NCUA. Equal Housing Lender.

2022 Annual Meeting

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Agenda

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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.

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 2024 and beyond.

Maria Gutierrez

Board Chairperson

CEO's Report

I'm happy to report that 2022 was a successful and profitable year for Cal State L.A. Federal Credit Union. Net Income increased from the prior year and resulted in Return on Average Assets (ROA) of 0.51%. The credit union's Regulatory Net Worth improved from 9.44% to 9.51%. Based on industry standards, a ratio of 7.0% is considered well capitalized. Our continued success is owed to our loyal and trusting membership as well as our dedicated staff, Board of Directors, and Supervisory Committee.

2022 included the transition from our former CEO, Ida Chapko, to the start of my tenure. Much of my focus was spent on maintaining and reviewing existing policies and processes. Transitioning from the pandemic protocols meant the credit union (and the overall economy) still had to contend with staffing and related constraints. With the university and El Sereno community slowly returning to "business as usual", efforts were made to strengthen our relationships and to ensure a high level of member service.. The credit union was involved with and sponsored a number of university and El Sereno community events. Overall, I believe we were successful in serving our members' needs during 2022. 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 2022, Cal State L.A. FCU, for the most part, returned to traditional work hours and facilities. The on-campus branch, which closed in 2020, remained closed throughout 2022. Also, as a result of staffing shortages, the credit union did not restore Saturday hours during 2022.

The official completion of the Mariondale remodel took place in 2022, providing our membership with a welcoming environment. We also purchased two new cash recyclers to facilitate more efficient servicing of our lobby transactions.

Despite the 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 2022 (in addition to those noted above), are as follows:

Loan losses were below peer average in all related areas, including delinquency, net charge-offs, and Provision expense.

Despite reduced mortgage demand, the credit union generated \$11.3 million in loans;

The Loans to Shares ratio of 80.66% was well above peer average indicating a continued ability and desire to serve our members' lending needs.

Assets and deposits increased by \$3 million and \$3.8 million respectively. The rates of increase (4.3% and 6.07%) exceeded peer average for 2022.

I would like to once again thank our members for their continued loyalty. Sincere gratitude again goes to credit union staff who worked as a team 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

Cal State L.A. Federal Credit Union
Minutes of the 2022 Annual Meeting
November 8, 2023

The 2022 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 2022 Annual Meeting (Held November 2, 2022)

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

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

Maria Gutierrez, incumbent

6) Election

Vice-Chair Velasquez declared by acclamation that the candidate is elected and will 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 5:16 pm. M/s/p

Treasurer's Report

CAL STATE L.A. FEDERAL CREDIT UNION

Consolidated Statement of Financial Condition as of 12/31/2022 (unaudited)

ASSETS

TOTAL LOANS	53,677,724
ALLOWANCE FOR LOAN LOSS	-159,480
ACCOUNTS RECEIVABLE	226,523
CASH ON HAND	698,223
INVESTMENTS	14,910,562
NET LAND/BUILDING	2,611,198
OTHER ASSETS	958,738
TOTAL ASSETS	72,923,488

LIABILITIES

ACCOUNTS PAYABLE	583,651
ACCRUED EXPENSES	222,685
TOTAL LIABILITIES	806,336

MEMBER SHARE ACCOUNTS	66,544,413
REGULAR RESERVE	550,174
UNDIVIDED EARNINGS	6,414,047
UNREALIZED GAIN (LOSS)	-1,391,482
TOTAL EQUITY	72,117,152
TOTAL LIABILITIES & EQUITY	72,923,488

NET WORTH RATIO	9.55%
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Income Statement

Consolidated Statement of Income 12/31/2022 (unaudited)

	12/31/2022
INTEREST INCOME	
Interest on Loans to Members	2,088,037
Interest on Investments	162,217
	\$ 2,250,254
INTEREST EXPENSE	
Dividends on Member Shares	70,914
Net Interest Income	2,179,340
Provision for Loan Losses	60,000
Net Interest Income after Provision	\$ 2,119,340
NON INTEREST INCOME/LOSS	
Income from Fees and Services	150,164
Miscellaneous Income	454,390
Gain on Sale of Investments	0
Non-Operating Gain/Loss	26,412
	\$ 630,966
GENERAL AND ADMINISTRATIVE EXPENSES	
Compensation and Benefits	1,139,200
Operations	1,063,913
Occupancy	180,004
	\$ 2,383,117
NET INCOME	\$ 367,189

Supervisory Report

The Supervisory Committee independently evaluates the soundness of Cal State L.A. Federal Credit Union's operations and activities. We ensure 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 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 2022 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.

Maria Gutierrez
Supervisory Committee Chair

BOARD OF DIRECTORS

Maria Gutierrez
Chair

Sylvia Velásquez
Vice Chair

Andrew Winnick
Secretary/Treasurer

Steven Nahabedian
Director

Vince Fazzi
Director

SUPERVISORY COMMITTEE

Maria Gutierrez
Interim Chair

Salvador Choto
Member

Martin Hernandez
Member

Oscar Jaimes
Member



Cal State LA
Federal Credit Union

Contact Us

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If you have any additional questions, please email
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**Cal State LA
Federal Credit Union**

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.