

Spokane City Credit Union



87th
Annual
Meeting



April 22, 2021

SCCU • 5:15 PM
Spokane, Washington



Spokane City Credit Union

Annual Meeting of Members

April 22, 2021

SCCU • 1930 N. Monroe

5:15 PM

Spokane, Washington



Board of Directors

Gene Jakubczak – Chair

David Eash – Vice Chair

Corin Morse – Secretary

Ian White – Treasurer

Harry McLean Jr. – Director

Jerry Niepomnik – Director

Francis Adewale – Director

Jared Baldwin – Associate Director

Supervisory Committee

Dave Christiansen – Chair

Chuck Zigmund – Committeeman

Vince Beck – Committeeman

Annual Meeting Minutes

April 2, 2020

The 86th Annual Meeting of the Spokane City Credit Union was held on April 2, 2020 at Spokane City Credit Union, Spokane, WA. The meeting was called to order by Board Chair Gene Jakubczak at 5:09 P.M.

A quorum was ascertained by an apparent attendance of 23 members.

Minutes of the April 25, 2019 Annual Meeting were approved as distributed.

There was a Motion, Second, and Carry to accept written annual reports from the Board Chair, Supervisory Committee, Treasurer, and President. The reports were distributed in booklet form.

Old Business: None

New Business: Gene F briefed the attendees on what SCCU response to the Corona Virus (aka Covid19) outbreak.

Gene J thanked Dale Arnold who is retiring from the board. Dale served in a variety of roles over many years.

Election: There were three Board positions and one Supervisory Committee position open. Nominating Committee Chair Harry McLean Jr. provided a written report on the election and results.

The following were duly elected:

Board Position #5	Corin Morse
Board Position #6	Ian White
Board Position #7	Tim O'Brien
Supervisory Committee Position #3	Vince Beck

The attendees affirmed the election results.

Board Chair Jakubczak thanked the members in attendance for their support of SCCU.

Meeting adjourned at 5:19 P.M.

Respectfully submitted,

Corin Morse, Secretary and Gene Jakubczak Board Chair

Chairman's Report 2020

Established in 1934, the Spokane City Credit Union (SCCU) continues to provide trusted financial services for you and your family.

2020 was a challenging year for SCCU. The pandemic forced us to make a variety of changes in how we conducted business. These changes were necessary to protect both the member and the staff.

Financially, we had a good year. We continue to grow at a steady pace and our bottom line looks great. The financial health and stability of SCCU is solid.

Last year was the first year of the SCCU "Giving Loan" program. When you get a loan at SCCU, the credit union makes a donation of \$50 to the charity or non-profit of your choice. If it's important to you, it's important to SCCU.

With all the pain and suffering the virus has caused, this program coupled with funds from SCCU resulted in \$17,940 going to assist our friends and neighbors in 2020. As we grow, more is automatically allocated to help. People Helping People is credit union way and we take it to heart at SCCU.

With all that is going on in the world today, we haven't forgotten that our greatest asset continues to be you, our members. It's the members that make the Spokane City Credit Union great! We look forward to serving you in the years to come. Feel free to contact me or any member of the management team with your comments or recommendations.

Sincerely,

Gene Jakubczak

Supervisory Committee 2020 Annual Report To The Membership

The Supervisory Committee is required to ensure that:

- Management's financial reporting objectives have been met.
- Management practices and procedures safeguard members' assets.

To meet these two general requirements, the Supervisory Committee is responsible for determining whether the Credit Union Management has established and maintained effective internal controls to achieve the Credit Union's financial reporting objectives. The Supervisory committee makes these determinations primarily through conducting audits and verifications.

The Supervisory Committee engaged the accounting firm of Moss-Adams to examine the credit unions financial records and the required BSA Audit. In addition, the committee hires specialists to assist us in auditing Information Technology and Specialty Loan Programs to ensure they are safe and sound and that we use best practices.

The committee meets with management and the directors on a regular basis to make sure audit and regulatory requirements are incorporated in SCCU programs. Our reports are provided to the Board or Directors and the Department of Financial Institutions which are responsible for the credit union.

Spokane City Credit Union is operating in a safe and sound manner and its financial records are in good order.

The Supervisory Committee is proud to serve the Credit Union members and work with the staff who are the best in the business.

Respectfully Submitted,

Dave Christiansen, Chair
Vince Beck, Member
Chuck Zigmund, Member

Treasurer's Report 2020

2020 was a year marked by unprecedented economic distortions. We started the year with a strong national economy that turned into a severe recession and then a rapid rebound. Steps were taken to make sure our credit union remained strong and that we continue to invest in products/services that benefit the members.

As we look back on 2020, we can say our financial performance was strong: we posted a net income of \$312,549 which is an all-time high. Assets broke the \$50 million dollar mark and we ended the year at \$52,979,723. In addition, member deposits increased 16.76% for the year. Our loan-to-share ratio is a healthy 86% and the delinquency rate is very low at 0.18%. At the close of 2020, SCCU is profitable, well capitalized and investing in the future.

Your board and SCCU staff are continually finding ways to decrease expenses and increase profitability. This directly results in better service, lower loan rates and good dividend rates on member shares in the long run. Since we are not-for-profit and member-owned, this strong performance results in offering increased value to our members. Thank you for your support as we look forward to another strong year in 2021.

Respectfully,

Ian White, Board Treasurer

Spokane City Credit Union
Income Statement - December 31, 2020

INTEREST INCOME	ACTUAL YEAR-TO-DATE
Loans	893,686.75
Student Loans	-
Lines of Credit	145,096.85
Real Estate Loans	863,571.25
Loan Participations	27,299.69
TOTAL LOAN INTEREST	1,929,654.54
Investment Income	12,127.18
TOTAL INTEREST INCOME	1,941,781.72
Interest on Borrowed Money	-
Dividend Expense - Shares	66,836.55
Dividend Expense - Certificates	76,331.53
TOTAL INTEREST EXPENSE	143,168.08
PROVISION FOR LOAN LOSSES	247,500.00
NON-INTEREST INCOME	
Share Draft Charges	10,947.33
VISA Interchange	79,635.45
VISA Checkcard/ATM	174,091.99
Other Fees & Charges	211,203.05
Late Fees	22,570.97
Misc. Operating Income	136,313.64
TOTAL FEE INCOME	634,762.43
NCUSIF Stabilization Expense	-
OTHER GAINS/(LOSSES)	(77.50)
OPERATING EXPENSES	
Salaries	544,015.89
Employee Benefits & Taxes	174,524.32
= Total Employee Compensation	718,540.21
Travel & Conference	8,287.19
Association Dues	4,921.21
Office Occupancy	80,609.29
Office Operations	182,743.14
Education & Promotion	87,951.21
Loan Servicing	197,266.03
Professional & Outside Service	584,603.85
Supervision & Examination	7,903.13
Cash (over) & Short	294.82
Annual Meeting	129.34
TOTAL OPERATING EXPENSE	1,873,249.42
NET INCOME	312,549.15

Spokane City Credit Union

Balance Sheet - December 31, 2020

ASSETS	CURRENT MONTH
Loans	16,163,166.60
Visa Lines of Credit	1,823,465.52
Real Estate Loans	22,949,997.00
Share Secured	75,514.18
Loan Participations	75,514.18
Loans In Process of Liquidation	15,795.82
Allowance for Loan Loss	(511,565.22)
TOTAL LOANS	41,006,706.55
Cash	6,902,304.51
Change Fund -Vault	580,773.95
Investments - WA Corporate	50,056.00
Investments - Certificates & Other	2,092,000.00
Investments - CUSO's	20,000.00
TOTAL INVESTMENTS	2,162,056.00
Prepaid Expenses	167,102.08
Land & Buildings (net)	1,415,140.67
Furniture & Equip (net)	231,980.28
NCUSIF Capitalization	407,554.55
Other Assets	2,151.00
Accrued Interest	103,954.07
TOTAL ASSETS	52,979,723.66
LIABILITIES & EQUITY	
Regular Shares	27,141,033.73
Share Drafts	10,205,961.96
Preferred Share Invest	4,846,732.54
IRA Shares	924,443.53
IRA Certificates	728,744.29
Share Certificates	4,305,570.53
TOTAL SHARES	48,152,486.58
Accounts Payable	216,322.54
Notes Payable	-
Dividends Payable	980.32
Clearing & Suspense Accts	(3,279.37)
TOTAL LIABILITIES	214,023.49
TOTAL SHARES & LIABILITIES	48,366,510.07
Regular Reserves	1,028,913.38
Undivided Earnings	3,271,751.06
Net Income	312,549.15
TOTAL EQUITY	4,613,213.59
TOTAL LIABILITY & EQUITY	52,979,723.66

President's Report 2020

What a year 2020 was for your credit union. As an organization we were tested and we had to “turn on a dime”. We changed a lot in the course of the year and we thank you the members for your patience and understanding as we picked our way through the virus minefield.

With a small staff, we could not have a virus outbreak in the office. We would not have been able to serve you if much of the staff was in quarantine. To continue with business as close to normal as possible, we set up remote worksites and had staff rotate in/out of the office. We also limited access to the lobby. We miss having you in the building. However, the health and well being of you and the staff is our priority. We will re-open the lobby when Phase 3 is in effect.

At the start of 2020 our outlook was one of cautious optimism. Investments in technology for the membership was our focus in 2020. The pandemic outbreak in the spring caused us to hit the breaks for a couple of months. We regrouped and then took off. Much was accomplished in spite of the virus.

Our financial results for 2020 were good. We continue to focus on adding “Convenience” for the membership. We rolled out our Contactless Credit Card and added a Web Payment feature to our website. As interest rates on Savings and other deposits dropped, we made cuts in operating expenses to limit the decline in dividends. Home loans are in demand and SCCU was able to meet the demand.

2021 will be another testing year. The economy is climbing back but many families have been hit hard. SCCU will continue to invest in the members by upgrading our operations and assisting in the community.

Even with all the technology that is available, it's the staff of SCCU that makes this place special. In 2020, the staff pulled together and worked harder than ever to make sure their members were taken care of. A big **THANK YOU** goes out to all of them.

At our core is our charter as a “not-for-profit” financial cooperative. We exist to serve our member-owners. Unlike other financial institutions, we do not issue stock or pay dividends to outside stockholders. Instead, earnings are returned to our member-owners in the form of lower loan rates, higher interest on deposits and investments in technology to make your financial life easier. That's the credit union difference.

It is your participation as a member-owner that makes us strong. When you fully participate in our services and programs you make SCCU even stronger. Membership eligibility extends to your family, friends and co-workers and makes SCCU grow. Members helping members, it's a business model that has worked at SCCU since 1934.

Sincerely,

Gene Fitzpatrick, President

Nominating Committee Report

March 31, 2021

The Nominating Committee for the Spokane City Credit Union (SCCU) submits the following report to the members of SCCU.

The Nominating Committee was given the task of providing qualified candidates for the elections of two Board positions and a Supervisory Committee position. All terms are for three years.

A Call for Nominations was posted for members to contact SCCU to express their interest to serve on the Board of Directors or Supervisory Committee.

The Nominating Committee submits that all the following named candidates listed have indicated in writing a willingness to serve in good faith. The Nominating Committee attests that each candidate is qualified to serve.

The Candidates for the Board are as follows:

Harry McLean Jr. – Incumbent
Gene Jakubczak – Incumbent

The Candidates for the Supervisory Committee is as follows:

Chuck Zigmund – Incumbent

Two positions were up for election for the Board of Directors and one position was up for election for the Supervisory Committee. These positions are for three-year terms.

As there were no other candidates for the positions, the current holders of these offices are re-elected.

The results of the nomination/election process are as follows:

Elected to the Board of Directors: Harry McLean Jr. and Gene Jakubczak
Elected to the Supervisory Committee: Chuck Zigmund

Respectfully submitted,

Corin Morse

Spokane City Credit Union Staff

Gene Fitzpatrick – President

Kathy Meagley – Operations Supervisor

Shannon Chapman – Member Service Specialist

Jon Belch – Member Service Representative

Cheryl Nevins – Member Service Representative

Krystyne Miller – Member Service Representative

Kathy Holmes – Loan Supervisor

Tim Lieske – Loan Officer

Jamie Forbes – Loan Officer

Helen Reynolds – Accounting Specialist

