

Spokane City Credit Union

1934

90th

2024

Annual Meeting



2023 Board of Directors

Gene Jakubczak – Chair

David Eash – Vice Chair

Corin Morse – Secretary

Francis Adewale – Treasurer

Harry McLean Jr. – Director

Brandon Rapez-Betty – Director

Raylene Gennett – Director

Supervisory Committee

Dave Christiansen – Chair

Chuck Zigmund – Committeeman

Vince Beck – Committeeman

Ian White – Committeeman

Annual Meeting Minutes

June 8, 2023

The 89th Annual Meeting of the Spokane City Credit Union was held at the Northwest Museum of Art & Culture (The MAC) in Spokane, WA. The meeting was called to order by Board Chair Gene Jakubczak (Gene J) at 6:25 P.M.

A quorum was ascertained by an apparent attendance of 93 members.

Gene J thanked the staff, directors and SC members for their service to the credit union.

Gene Fitzpatrick, President and Gene J spoke about Kathy Holmes and the 33 years of service to the members.

Minutes of the April 19, 2022, 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 and are published on the SCCU website.

Old Business: None

New Business: Gene F briefed the attendees on the investments in technology that we have made and the interest rate environment.

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	Corin Morse
Board Position	Francis Adewale
Board Position	Brandon Ropez-Betty
Supervisory Committee Position	Vince Beck

The attendees affirmed the election results.

Board Chair Jakubczak reported that Gene Fitzpatrick, President is retiring on August 31, 2023. Deanna Hanley, Vice President will assume the role of CEO/President on September 1, 2023.

The meeting was adjourned at 6:40 P.M.

Respectfully submitted,

Corin Morse, Secretary and Gene Jakubczak, Board Chair

Chairman's Report 2023

Established in 1934, as Spokane City Credit Union (SCCU) celebrates our 90th year, we continue to provide trusted financial services for you and your family.

SCCU continued to be challenged in 2023 by inflation and rising interest rates. The rapid rise in interest rates has been costly to the members and to SCCU. As a cooperative it is a core principle to put the financial well-being of the member ahead of a financial return. That's what we did by increasing our dividend rates, paying over \$300,000 more in interest dividends to our members in 2023 compared to 2022. SCCU consistently has higher rates than other big financial institutions in our area, compare and you will see SCCU puts members first.

2023 was a good year for SCCU. We continue to grow at a steady pace and are profitable. The financial health and stability of SCCU is solid.

People Helping People is the credit union philosophy, and we take it to heart at SCCU. It's heart-warming to see how in times of uncertainty, people come together and lend a hand. If it's important to you, it's important to SCCU. In 2023, SCCU and its members continued to invest in our community. As SCCU grows and prospers, our commitment to investing in Spokane grows as well.

We have not forgotten that our greatest asset continues to be you, our members. It is the members that have allowed Spokane City Credit Union to celebrate our 90th year! We look forward to serving you and your families for years to come. Feel free to contact me or any member of the management team with your comments or recommendations.

Sincerely,

Gene Jakubczak
SCCU Board Chair

Supervisory Committee 2023 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 union's 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 the 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 of Directors and the Department of Financial Institutions which are responsible for the credit union.

Spokane City Credit Union operates 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
Ian White, Member

Treasurer's Report 2023

In 2023 the economic story continued to be all about inflation. In 2022, the year started with the Federal Reserve initiating their policy of interest rate hikes to battle the inflation monster. In 2023, that policy continued, rates went from 0% to .25% on 1/1/2022 to 5.25% to 5.50% as of 7/26/2023, where it has held firm since then. SCCU has increased our deposit rates for our members and continues to evaluate where we can benefit our members in this rate environment.

As we look back on 2023, our financial performance was very strong: we posted a net income of \$ 358,349 which is excellent. While this is lower than our all-time high income set in 2021, the higher deposit rates that we are paying our members increased our expenses but for the benefit of our members (SCCU paid \$ 311,458 more in interest dividends in 2023 than in 2022). Assets broke the \$64 million dollar mark, and we ended the year at \$ 64,936,464. In addition, member deposits increased \$1,346,188 for the year. Our loan-to-share ratio is a healthy 89% and the delinquency rate is very low. Higher interest rates have impacted loan demand and as such, our loan portfolio shrunk slightly during 2023. At the close of 2023, SCCU is profitable, well capitalized, and ready to continue investing in our members' 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 our 90th year in 2024!

Respectfully,

Francis Adewale, Board Treasurer

Spokane City Credit Union Financial Summary as of December 31, 2023

Total Assets:	\$ 64,936,464	Loans:	\$ 52,004,217
Total Liabilities:	\$ 59,084,364	Allowance for Future Loan Losses:	\$ 473,504
Total Capital:	\$ 5,852,100	Shares:	\$ 58,621,294
Capital to Assets Ratio:	9.01%	Income:	\$ 3,078,707
		Dividends Paid:	\$ 521,660
		Expenses:	\$ 2,198,698
		Net Income:	\$ 358,349

*(A Well Capitalized Credit Union
is defined as having a ratio of 7.0%)*

President & CEO's Report on 2023

In 2023, our small but mighty credit union tackled challenges head-on by emphasizing strength and adaptability. Not only did we deal with inflation and rising rates from the Federal Reserve, but we also had staffing changes as well. Our former President Gene Fitzpatrick retired in August 2023, and Kathy Holmes our former Loan Supervisor retired in November of 2023. Despite these changes, SCCU provided support through flexible financial solutions and active community engagement. As SCCU celebrates our 90th year, we are well positioned to meet the needs of our membership.

Financially, 2023 was a good year. While loan demand was impacted by the rising rates. Deposits increased, we were profitable, and we were able to grow. We kept operating expenses low and increased dividends paid to members by over \$300,000 from 2022. Our members are first for SCCU, and we strive to keep that promise every day.

While our commitment to member-centric services, technological progress, and collaborative community efforts remains unwavering. It is truly the staff of SCCU that makes this credit union special. A heartfelt thank you goes out to every one of them.

At our core is our charter as a “not-for-profit” financial cooperative. 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.

It is your participation as a member-owner that makes us strong. When our members 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 is a business model that has worked for 90 years, and will continue to do so.

Sincerely,

Deanna Hanley, President & CEO

Nominating Committee Report

March 31, 2024

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:

Gene Jakubczak – Incumbent
Harry McLean, Jr – 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 retain their position for another term.

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

Elected to the Board of Directors: Gene Jakubczak & Harry McLean, Jr.

Elected to the Supervisory Committee: Chuck Zigmund

Respectfully submitted,

Corin Morse

2023 Spokane City Credit Union Staff

Deanna Hanley – President/CEO

Jamie Forbes – Loan Supervisor

Shannon Chapman – Teller Supervisor/BSA Officer

Helen Reynolds – Accounting Specialist

Tim Lieske – Loan Officer

Krystyne Miller – Loan & Digital Experience Officer

Brian Fletcher – Member Service Representative/
Delinquency Officer

Jon Belch – Member Service Representative

Vanessa Jones – Member Service Representative

Catherine Dietz – Administrative Assistant

Retirements in 2023

Gene Fitzpatrick – President
Retired August 2023

Kathy Holmes – Loan Supervisor
Retired November 2023

Thursday, May 2nd, 2024

Hamilton Studio 5:30 pm

1427 W Dean

Spokane, Washington

