

SPOKANE CITY CREDIT UNION

89TH ANNUAL MEETING

THURSDAY, JUNE 8, 2023

*THE MAC • 5:30 PM
2316 WEST 1ST AVENUE
SPOKANE, WASHINGTON*



2022 Board of Directors

Gene Jakubczak – Chair

David Eash – Vice Chair

Corin Morse – Secretary

Francis Adewale – Treasurer

Harry McLean Jr. – Director

Jerry Niepomnik – Director

Brandon Rapez-Betty – Director

Supervisory Committee

Dave Christiansen – Chair

Chuck Zigmund – Committeeman

Vince Beck – Committeeman

Ian White – Committeeman

Annual Meeting Minutes

April 19, 2022

The 88th Annual Meeting of the Spokane City Credit Union was held April 19, 2022, at The HIVE at 2904 E Sprague, Avenue Spokane, WA. The meeting was called to order by Board Vice Chair David Eash at 6:45 P.M.

A quorum was ascertained by an apparent attendance of 53 members.

Minutes of the April 22, 2021, 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 the various technology enhancements that are underway.

Election: There were two 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 #3
Board Position #4

Jerry Niepomnik
David Eash

Supervisory Committee Position #2 Dave Christiansen

The attendees affirmed the election results.

Vice Chair Eash thanked the members in attendance for their support of SCCU.

Meeting adjourned at 7:00 P.M.

Respectfully submitted,

David Eash, Vice Chair

Chairman's Report 2022

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

SCCU was challenged in 2022 by inflation. The rapid rise in interest rates has been costly to the members and to SCCU. As a cooperative it's 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. SCCU consistently has higher rates than the big financial institutions. Compare and you will see the SCCU puts the member first.

Financially, 2022 was a good year. We continue to grow at a steady pace and our bottom line looks good. The financial health and stability of SCCU is solid.

People Helping People is the credit union way, 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 2022, SCCU and its members invested \$28,143 into the community. As SCCU grows and prospers, our commitment to investing in Spokane grows as well.

With all that is going on in the world today, we have not forgotten that our greatest asset continues to be you, our members. It is 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 2022 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, 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 2022

In 2022 the economic distortions continued. We started the year with a growing economy where inflation was a huge issue. The Federal Reserve began its policy of interest rate hikes to battle the inflation monster and rates went from 0% to .25% on 1/1/2022 to 4.25% to 4.50% as of 12/31/2022, a substantial increase within one year. SCCU increased our deposit rates for our members during this time and will continue to evaluate where we can benefit our members in this rate environment.

As we look back on 2022, we can say our financial performance was strong: we posted a net income of \$ 378,259 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. Assets broke the \$63 million dollar mark, and we ended the year at \$ 63,154,245. In addition, member deposits increased \$2,383,565 for the year. Our loan-to-share ratio is a healthy 93% and the delinquency rate is very low. At the close of 2022, 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 2023.

Respectfully,

Francis Adewale, Board Treasurer

Spokane City Credit Union Financial Summary as of December 31, 2022

Total Assets:	\$ 63,154,245	Loans:	\$ 53,375,315
Total Liabilities:	\$ 57,660,494	Allowance for Future Loan Losses:	\$ 585,205
Total Capital:	\$ 5,493,751	Shares:	\$ 57,275,106
Capital to Assets Ratio:	8.69%	Income:	\$ 2,708,959
		Dividends Paid:	\$ 211,063
		Expenses:	\$ 2,119,637
		Net Income:	\$ 378,259

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

President's Report on 2022

2022 was the year of the Inflation Monster. To fight the monster, interest rates zoomed up to heights that haven't been seen in decades. SCCU had to pivot from a low-rate world and little change to high rates and constant change. We adapted and were able to meet the needs of the membership and continue to invest in the technology you need for the future.

Our financial results for 2022 were good. Loan demand was good, and deposits grew. We kept a lid on operating expenses and increased dividends that are paid to members. Putting people over profit is key for SCCU and we strive to keep that promise every day.

As we become more reliant on technology that is available in banking, it is the staff of SCCU that makes this place special. The staff did another amazing job to make sure the 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 is a business model that has worked at SCCU since 1934.

This is my last report as President of Spokane City Credit Union. It's been an honor to serve you and I wish the best to you and for the continued success of SCCU.

Sincerely,

Gene Fitzpatrick, President

Nominating Committee Report

March 31, 2023

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:

Francis Adewale - Incumbent
Corin Morse – Incumbent
Brandon Rapez-Betty - Incumbent

The Candidates for the Supervisory Committee is as follows:

Vince Beck – 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: Francis Adewale, Corin Morse,
Brandon Rapez-Betty.

Elected to the Supervisory Committee: Vince Beck

Respectfully submitted,

Harry McLean Jr

2022 Spokane City Credit Union Staff

Gene Fitzpatrick – President

Deanna Hanley – Vice President

Kathy Holmes – Loan Supervisor

Tim Lieske – Loan Officer

Jamie Forbes – Loan Officer

Shannon Chapman – Member Service Specialist

Jon Belch – Member Service Representative

Krystyne Miller – Member Service Representative

Brian Fletcher – Member Service Representative

Helen Reynolds – Accounting Specialist

Catherine Dietz – Administrative Assistant

