



**Message  
from the  
Chairperson**

Serving as your Chair for the past two years has been a great privilege and pleasure. The single focus for Management, staff and your Board of Directors is serving the needs of our Credit Union Members. By meeting the needs of our members, we hope to build lifetime partnerships.

We continue to look at different ways of incorporating technology into our daily business operations without sacrificing the personal touch. We have expanded our surcharge-free ATMs to provide increased functionality for our members and there are currently plans underway to further expand our ATM locations throughout the county.

Our members also have the opportunity to bank conveniently via the internet with our DataNet home banking product. Soon electronic bill payment will be offered as a Credit Union service. Electronic bill payment can save members up to one hour a month over manual bill payment. Our automobile loan program offered at participating dealerships allows members the convenience of purchasing a vehicle right at the dealership without having to come into the Credit Union to sign the necessary paperwork.

We will break ground on our new branch location at the corner of Stine and Panama Lane sometime this spring. Our newest Credit Union Service Organization, KSF Investment Services, provides seasoned financial advisors who understand the various investment vehicles available for members and how each may suit individual member circumstances and goals.

Helping members make smart decisions is at the core of Credit Union service. The viability of our Credit Union is directly related to the members we serve. We are committed to providing quality service and products to our members and we thank you for your continued support.

**Marilyn Jones, Chairperson  
Board of Directors**

# KSFCU ANNUAL REPORT



The future is before us. As the Chairperson has discussed the new or improved products that the Credit Union has provided the membership, and the Treasurer has pointed out the dollars paid back to our shareholder members, we must remind ourselves that these are the basis for moving into the future. We hear discussion of a



new economy, but is there really a new economy? What the Board of Directors and Management has strived to accomplish in this first year of 2000, is to focus on how we can improve the financial choices of our members. How can we make our services more efficient, more convenient, as opposed to forcing you to use or buy a product that is useless.

In this changing economy, the Credit Union strives to maintain its roots as a financial cooperative. Through the efforts of everyone, we can provide you, the member, something that you need, something that you cannot get elsewhere in the same manner. We continue to provide loans at record speed with our different available options. In 2000, we made over 50,000 new loans to members, representing over \$260,000,000. No, everyone didn't come into our offices to obtain these loans. Members used the internet, telephone, mail, or our dealer network. Options provide convenience. Members value time, and options provide a means to use time wisely.

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The Credit Union's financial position has remained strong. Our capital reserves continue to increase, and we will be able to begin construction on our new branch at the corner of Stine Road and Panama Lane in south Bakersfield. It will be a full service branch with a drive up window and drive up automated teller machines. We will also focus on the other cities in Kern County to provide more local service.

On behalf of our staff, management, and the Board of Directors, I thank all of the members who continue to support the Credit Union. We will continue to use the new tools of this economy — technology and information systems — to create convenience, reliability and maintain the trust that our members have in the Credit Union. Most importantly, we must maintain our financial cooperative spirit, the basis for our existence. Remember, *"Together, we have something special."*

**Vincent Rojas, Jr.**  
President/Chief Executive Officer



## TREASURER'S REPORT

Year 2000 was a significant year for your Credit Union and for the financial marketplace in general. The new millennium presented many interesting challenges to the commercial world; challenges that some could not overcome. The "dot com" flurry resulted in the rise and fall of many companies which were unable to keep pace. The NASDAQ saw a 50% decline in its value (the worst in its history) and even highly successful technology companies had a difficult year.

Now for the good news! Your Credit Union continued to prosper through the turmoil of 2000. During the year, assets grew to \$753 million, deposits increased more than \$73 million and net income was \$5,382,422. Responding to the needs of members has always been, and always will be, a primary goal for your Credit Union. To demonstrate, during the year your Credit Union paid \$26.3 million in dividends to its members; an increase of 13%. Loans to members grew in excess of \$94 million; an increase of 20%.

Summarized financial and statistical data are included in this Annual Report.

Management, staff and your Board of Directors are to be commended for their diligent efforts to the ever-changing financial needs of the Credit Union's 110,000 members. As always, the safety and security of your deposits remain a top priority. We are proud of the fact that despite our significant loan growth, the Credit Union's overall delinquency rate remained at a very low .60%, which places it among the leaders in the industry.

Kern Schools Federal Credit Union strives to remain competitive in this sophisticated financial industry and it is you, the member, who determines its success. By using KSFCU'S services you strengthen your share in your own organization and your Credit Union's status in the local financial marketplace!

**Mike Kileen, Treasurer**  
*Board of Directors*



## SUPERVISORY COMMITTEE'S REPORT

The Supervisory Committee, under the direction of the Board of Directors, continues to review and examine the Credit Union's operational practices.

The Auditing Firm of Turner, Warren, Hwang and Conrad, under the direction of the Supervisory Committee, has been performing the Annual Audit of your Credit Union's financial status for 2000. The Audit is not complete, therefore, the report being presented is not audited. The completed audit report will be available for review during the second quarter of 2001.

The Audit Manager, Linda Pickett, regularly presents reports of her audits to the Supervisory Committee. Members of the Supervisory Committee have accompanied her on various audits to the Credit Union. Linda is certainly an asset to the Credit Union.

The Supervisory Committee wishes to express its appreciation to the members of management and staff for their assistance and cooperation in making these reports possible.

**Curtis Kennedy, Chairperson**  
*Supervisory Committee*

### BOARD OF DIRECTORS

Marilyn Jones	Chairperson
Cecil Briscoe	1st Vice Chairperson
Bill Williams	2nd Vice Chairperson
S.W. "Bill" Bruce	Secretary
Mike Kileen	Treasurer
Robert Elliott	Director
James Fillbrandt	Director
Ron Fontaine	Director
Larry Reider	Director
Jeannine Thompson	Director
Mary K. Zwartendyk	Director

### SUPERVISORY COMMITTEE

Curtis Kennedy	Chairperson
James C. Dunn	Member
Curtis H. Kennedy	Member

### ADMINISTRATION

Vincent Rojas, Jr.	President/CEO
Penelope Fulton	Senior Vice President
Norman Ranallo	Sr. V.P., Chief Financial Officer
Barbara Irlle	Sr. V.P., Operations /Branch Admin.

## KERN SCHOOLS FEDERAL CREDIT UNION CONDENSED MINUTES 60TH ANNUAL MEETING

**April 6, 2000**  
**Doubletree Hotel**

The Sixtieth Annual Meeting of Kern Schools Federal Credit Union was called to order at the Doubletree Hotel at 6:30pm by Chairperson Jones. Ms. Jones welcomed members and guests and thanked the committee for the beautiful flowers and decorations provided by The Garden District. Ms. Jones also announced that the entertainment would be provided by the *Chesterfield King and the Sultans of Swing*.

Ms. Jones introduced those seated at the Head Table: Dr. Cecil Briscoe, 1st Vice Chairperson and his wife Rodene; Dr. Larry Reider, Director and his wife, Sandra; Ms. Penny Fulton, Senior Vice President; Dr. Ron Fontaine, Director and his wife, Barbara; Paula Trogdon, Assistant to the President/CEO; Mr. Mike Kileen, Treasurer and his wife, Cheryl; Mr. Vincent Rojas, President and Chief Executive Officer, and his wife, Linda; Mary Zwartendyk, Director and her husband Charles.

Ms. Jones introduced other members of the Board of Directors: Dr. Bill Williams, Second Vice Chairperson and Mr. Robert Elliott, Director. Board Members Drs. Bill Bruce and Jim Fillbrandt, and Ms. Jeannine Thompson were unable to attend. Ms. Jones also introduced the remaining Senior Management Staff: Mr. Norman Ranallo, Senior Vice President/Chief Financial Officer, Mrs. Barbara Irlle, Vice President of Operations and Branch Administration; and Ms. Jinger Miller, Vice President of Financial and Insurance Services.

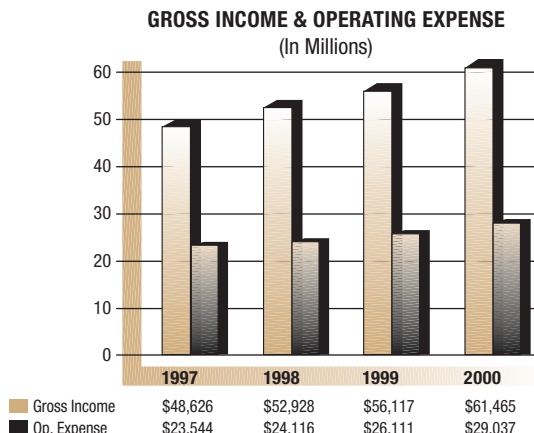
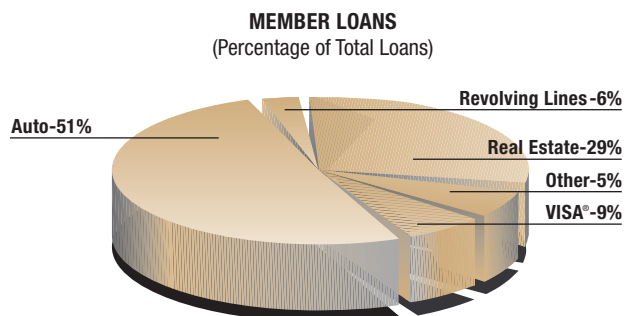
Other special guests included Mr. James Dunn and Dr. Curtis L. Kennedy of the Supervisory Committee and Mr. Walter Hwang and Mr. Kian Moshirzadeh, representing our auditing firm, Turner, Warren, Hwang and Conrad Accountancy Corporation. Mr. Carl Woody, Chairperson of the Supervisory Committee was unable to attend the meeting due to illness.

Ms. Jones announced that the candidates for Board of Directors are: Dr. Cecil Briscoe, incumbent; Mr. Mike Kileen, incumbent; Dr. Larry Reider, incumbent; Mrs. Mary Zwartendyk, incumbent; and Mr. Al Augustine, Vice President/Chief Financial Officer of Jim Burke Ford.

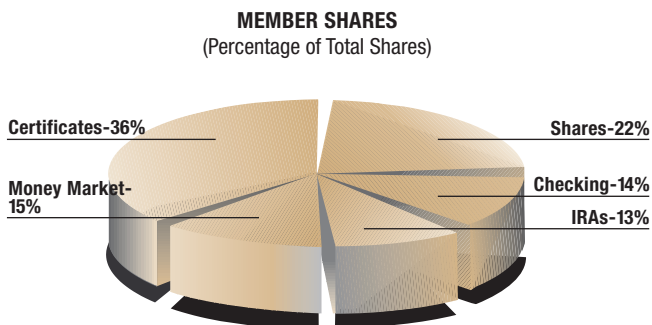
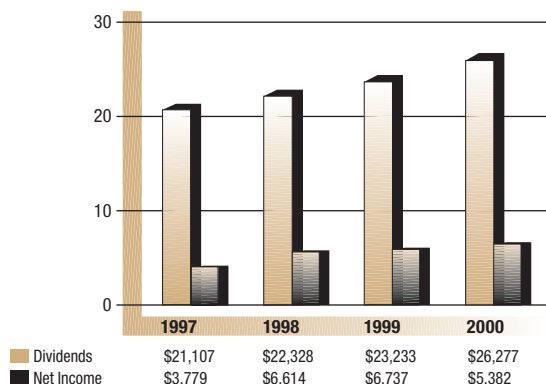
Ms. Jones also introduced Credit Union Members with longevity (those having two and three digit account numbers, having witnessed the growth of the Credit Union over most of its 60 years), George Hanley with a two digit account number; Orville Cauthon, Christine Mashtaire, Roscoe Morgan, Bob Otto, Bill Vinson, Earline Waters, George Osborn, Eugene Clauson, Disney Lang, Bob Elliott and Paul Henry, all having three digit account numbers.

The Flag Salute was led by Mr. Vincent Rojas and the Invocation was given by Dr. Cecil Briscoe.

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**MEMBER DIVIDENDS & NET INCOME**  
(In Millions)



STATEMENTS

**STATEMENT OF INCOME YEAR ENDED DECEMBER 31ST**  
(UNAUDITED) - *In millions*

INCOME	1999	2000
Interest on Members' Loans	\$37,792	\$43,755
Investments Income	9,387	7,850
Other Income	8,938	9,860
<b>GROSS INCOME</b>	<b>\$56,117</b>	<b>\$61,465</b>
<b>OPERATING EXPENSES</b>	<b>\$26,111</b>	<b>\$29,037</b>
Income from Operations	30,006	32,428
Non-Operating Gain (Loss)	(63)	(769)
Income Before Dividends	29,943	31,659
Dividends Paid to Members	23,233	26,277
Net Income Before Taxes	6,710	5,382
Income Tax Provision	(27)	0
<b>TOTAL</b>	<b>\$6,737</b>	<b>\$5,382</b>

**STATEMENT OF INCOME YEAR ENDED DECEMBER 31ST**  
(UNAUDITED) - *In millions*

ASSETS	1999	2000
Loans to Members	\$480,546	\$574,610
Cash	15,505	12,175
Investments	140,403	128,881
Interest Receivable	3,560	3,989
Premises & Equipment	14,846	14,679
Other Assets	15,391	18,523
<b>TOTAL ASSETS</b>	<b>\$670,251</b>	<b>\$752,857</b>
<b>LIABILITIES/SHARES/EQUITY</b>		
Dividends Payable	\$2,121	\$2,259
Other Liabilities	22,779	23,138
Member Accounts	584,604	657,971
Restricted Reserve	24,783	29,783
Common Stock	0	0
Undivided Earnings	35,964	39,706
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$670,251</b>	<b>\$752,857</b>

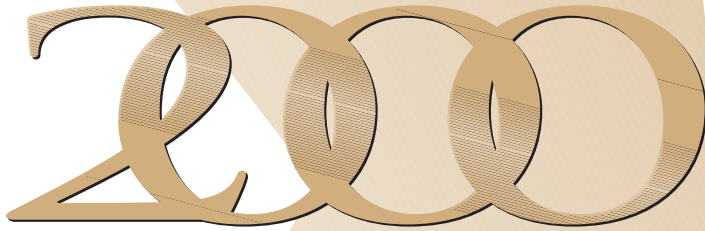


"Together, we have something special."

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## 2000 ANNUAL REPORT

<b>BRANCH LOCATIONS</b>	<b>RIDGECREST</b> <i>1621 North Downs Street</i>
<b>BAKERSFIELD</b> <i>4530 Ming Avenue</i> <i>2424 Chester Avenue</i> <i>3902 Mt. Vernon Avenue</i> <i>8200 Stockdale Highway</i> <i>4616 California Avenue</i> <i>6101 Coffee Road</i> <i>2671B Oswell Street</i>	<b>DELANO</b> <i>828 High Street</i>  661 833-7900 800 221-3311 WWW.KSFCU.ORG



### KERN SCHOOLS FEDERAL CREDIT UNION CONDENSED MINUTES 60TH ANNUAL MEETING

— Continued from page 2

Ms. Jones adjourned for dinner and Mr. Rojas announced that the prizes would be drawn throughout the evening.

Following dinner, Chairperson Jones reconvened the meeting and spoke briefly about the Credit Union's success in battling the much anticipated Y2K Bug and credited management and staff for working diligently to ensure the integrity of the Credit Union systems. In addition, Chairperson Jones emphasized the Credit Union's commitment to its members and noted that in 1999, there were significant enhancements to our delivery systems (Data Voice, DataNet, the KSFCU Web Page, etc.) and also stated that the Credit Union has several programs specifically designed to educate the younger members about financial knowledge and responsibility. These programs include the Rocky Raccoon Accounts for members from birth to 14 years of age. In addition, Kern Schools Federal Credit Union opened the Stockdale High School Branch, the first partnership in Kern County between a financial institution and high school, which offers full services to students and employees of Stockdale High School, and provides the opportunity for the students to gain practical work experience.

Other accomplishments and achievements in 1999 were the increased number of dealer agreements, whereby Credit Union members can purchase vehicles, both new and used, at the dealership of their choice

with the convenience of financing them through Kern Schools Federal Credit Union at the time of purchase. In addition, the membership grew by 4,580 which makes us over 100,000 strong.

In closing, Chairperson Jones thanked the members for their support and loyalty throughout the year and stated that the board of directors, management and staff of Kern Schools Federal Credit Union is committed to the community and will continue to be a leader in support of community efforts, as well as providing quality service to our members.

Mr. Rojas welcomed members and guests to the annual meeting and extended his congratulations on the 60th Anniversary of Kern Schools Federal Credit Union. Upon review of the original bylaws established in 1940, Mr. Rojas stated that throughout the years, the message remains the same as our Mission Statement "The Credit Union shall identify and respond to needs of members by offering cost effective and competitive financial services." Adopted March 8, 1986.

Mr. Rojas emphasized that the Board of Directors and Management Staff continues to evaluate the Credit Union Services and is committed to offering quality member service to assist in achieving the financial goals of our members.

Ms. Jones appointed Dr. Larry Reider "Acting Secretary," in Dr. Bruce's absence and confirmed that

the attendance verifies a quorum is present and asked that everyone who makes a motion to state their name clearly so it can be recorded in the official minutes.

A motion was made by Mr. Melvin Khachigian to accept the minutes of the last Annual Meeting, the Financial Statement and the Officer's Reports as contained in the Annual Report. The motion was seconded by Mr. Mike Kileen. Motion carried.

Ms. Jones reported the election results. The following candidates were elected for a three-year term: Dr. Cecil Briscoe, Dr. Larry Reider, Mr. Mike Kileen and Mrs. Mary Zwartendyk.

A motion to destroy the ballots from last year's election was made by Mr. Charles Zwartendyk and seconded by Mr. Robert Haskell. Motion carried.

There being no further business to conduct, Ms. Jones adjourned the meeting at 8:16pm.

Respectfully submitted,  
Paula Trogdon  
Recording Secretary

Approved by:  
Marilyn Jones, Chairperson

Larry E. Reider, Acting Secretary