



Contra Costa
Federal Credit Union



2014

Annual Report

Message from Your Chairperson

2014 saw a continuation of positive trends in the financial services industry. Unemployment fell, especially in California, and housing values rebounded nicely. While Contra Costa Federal Credit Union is still being affected due in part to stagnant interest rates, we are pleased to report net income of \$1.5 million. At year-end 2014, your Credit Union Assets totaled \$638 million, Shares were in excess of \$570 million, Loans were in excess of \$183 million, all all-time highs, and there were 27,183 members. These numbers are even more impressive if you reflect back to when we opened our doors in October 1949, with only \$1,211 in Assets and 34 members.

We ended the year with an increase in reserves, which remain in excess of regulatory minimum standards and of industry averages. CCFCU is a not-for-profit cooperative, "owned" by the members. Each and every member benefits from the profits, which are returned to the Membership in the form of low cost loans, high yields on savings and certificates and many services without fees. In addition, our strong reserves are the financial foundation used to continue building the future success of your Contra Costa Federal Credit Union. We remain strong, well-capitalized, and well-positioned to weather future economic storms.

Bauer Financial Reports, a nationwide financial research firm, once again recognized Contra Costa Federal Credit Union's financial stability. Your Credit Union has received Bauer's highest rating for every evaluation period since Bauer began analyzing the Credit Union industry in 1990. This five-star rating indicates that your Credit Union is one of the safest in the United States.

Other noteworthy achievements during 2014 include the acquisition of Pittsburg Employees Federal Credit Union which added a full-service branch in downtown Pittsburg, increasing our social media presence, introducing and extending a low-rate campaign for Visa credit card purchases, and increasing technology and security to provide the best possible online member experience and at the same time keeping operating expenses controlled.

Message from Your Chairperson

2014 was another year when Contra Costa Federal Credit Union held loan rates at an all time low. We also continued to pay competitive dividends on member savings accounts, while continuing to offer a wide variety of services without fees. We have also met with many Members who needed special financial counseling and credit assistance. Our staff also led financial literacy seminars to many of the communities we serve and will continue to do so going forward.

Looking to the future, we will continue to respond to members' financial needs by expanding and improving financial services while using the latest technology. The Board of Directors and management will also continue to manage the growth, while insuring continued safety and soundness of your Credit Union.

The accomplishments at Contra Costa Federal Credit Union are the direct result of the continued support and loyalty of the Membership, Volunteer Officials, Management and Staff. I would like to express my sincere gratitude to all of you who have contributed to the success of your Contra Costa Federal Credit Union.



Stephen J. Ybarra, *Chair*
Board of Directors



Board of Directors

Dean Lucas, *Secretary*, Julie Enea, *2nd Vice Chair*,
Stephen J. Ybarra, *Chairman*, Mary Ann Mason, *1st Vice Chair*,
and Donald L. Bouchet, *Treasurer*

Message from Your Treasurer

Your Credit Union has remained strong and stable during 2014. The federal budget deficit, state income tax increase, increasing healthcare costs, war on terrorism, world economic instability, and high unemployment, all of which affected business and consumer confidence, are a reality. Through it all, your Credit Union has these success highlights to report for the year 2014:

- Assets increased 3.6% to \$638.4 million, an all-time high.
- Shares increased 3.7% to \$570.4 million, an all-time high.
- Loans increased 8.3% to \$183.2 million, an all-time high. Your Credit Union approved 4,367 loans, a 15% increase, for a total of \$52.1 million, an 18% decrease. Since your Credit Union was organized, 255,175 loans have been approved for a total of \$1.42 billion.
- Dividends paid to members exceeded \$1.5 million. This represents a dividend payout of \$0.13 on each \$1.00 earned, compared to an industry average of \$0.11 per \$1.00 earned.
- Our Net Operating Expenses to Average Asset Ratio of 1.4% was substantially less than the Credit Union industry average of 3.1%.
- Net income was \$1.5 million, a return on assets of 0.2%.
- Our delinquency ratio was only 0.1%, significantly less than the national industry average of 1%.
- Our total Net Worth (Regular Reserves, Contingency Reserves and Undivided Earnings) to Total Asset Ratio of 10.2% is slightly less than the industry average and 3.3% higher than the minimum required. Our risk-based net worth ratio of 32% is more than three times the statutory requirement. This high Net Worth Ratio enhances further the Credit Union's substantially strong financial base and better positions us to absorb any future economic fluctuations.
- Again received the "5-Star Rating" from Bauer Financial Group, which is the highest rating possible in the financial industry.

I am pleased to report that your Credit Union has maintained the highest degree of fiscal and financial soundness. I would like to express my thanks to the Members of Contra Costa Federal Credit Union for your continued support.



Donald L. Bouchet, *Treasurer*
Board of Directors

Message from Your Supervisory Committee

The Supervisory Committee is appointed by your Board of Directors to fulfill the requirements of the National Credit Union Administration (NCUA) to objectively audit the financial records, review the operations and monitor the performance of your Credit Union.

To insure the utmost accuracy in meeting these requirements, we engaged the highly regarded CPA firm of CliftonLarsonAllen LLP whose specialty is Credit Union audits. They performed a comprehensive certified opinion audit of Contra Costa Federal Credit Union's accounting records and reviewed the internal controls surrounding our operations. Additionally, your Credit Union performs year-round compliance assessments to ensure all applicable federal and state regulations are being properly followed.

The NCUA also conducted its annual review of your Credit Union's operations. Both reports indicate that your Credit Union is operating on a sound financial basis with a high degree of efficiency and is in full compliance with Credit Union rules and regulations. Accounting reports are prepared promptly and accurately, internal controls are adequate, and the plans, policies and procedures established by the Board of Directors are being followed.

It is the opinion of this Supervisory Committee, and that of our auditors and federal examiners, that your Credit Union is a financially sound and well-managed financial institution.



Michael H. George, *Chair*
Supervisory Committee

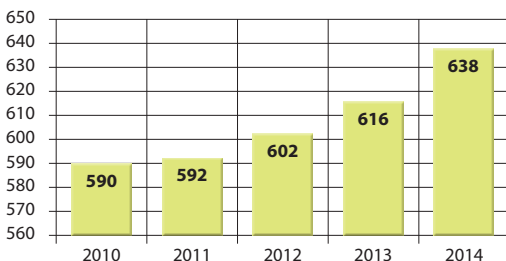


Supervisory Committee

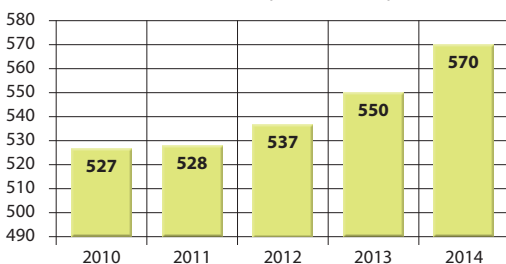
Cecilia Baird, Michael H. George, *Chair*, Rick Koehler,
Stephen Dawkins, and Terry Mann

Your Financials

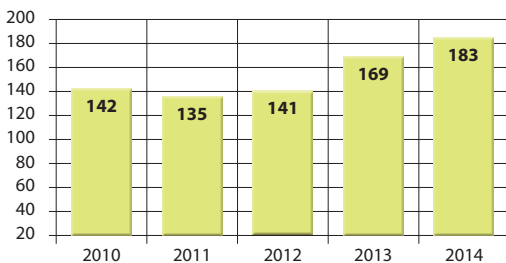
ASSETS (in millions)



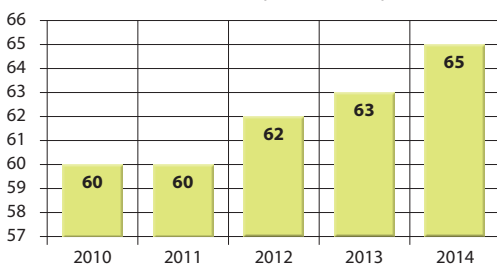
SHARES (in millions)



LOANS (in millions)



CAPITAL (in millions)



Contra Costa Federal Credit Union 2013 & 2014 Financial Statements

BALANCE SHEET

	12/31/2014	12/31/2013
Assets:		
Cash & Investments	447,378,997	439,328,873
Loans to Members	180,905,990	166,828,898
Accrued Interest Receivable	2,218,139	2,243,309
Land & Building (net)	1,469,590	1,532,870
Furniture & Equipment (net)	588,082	434,989
Other Assets	5,859,866	5,871,561
Total Assets	\$638,420,664	\$616,240,500
Liabilities:		
Member Shares	570,423,753	550,162,074
Dividends Payable	203,725	201,341
Other Liabilities	2,487,999	2,440,604
Total Liabilities	\$573,115,477	\$552,804,019
Equity:		
Regular Reserves	7,815,921	7,815,921
Contingency Reserves	56,573,786	55,059,504
Undivided Earnings	561,056	561,056
Equity Acquired in Merger	354,424	0
Total Capital	\$65,305,187	\$63,436,481
Total Liabilities & Equity	\$638,420,664	\$616,240,500

INCOME & EXPENSES

	12/31/2014	12/31/2013
Income:		
Interest on Loans	7,044,212	6,775,840
Investment Income	3,076,780	3,406,147
Other Income	1,822,855	1,731,069
Total Income	\$11,943,847	\$11,913,056
Expenses:		
Salary & Benefits	4,606,364	4,527,071
Office Occupancy	566,187	575,860
Office Operations	3,740,885	3,609,385
Provision for Loan Losses	0	100,000
Total Operating Expenses	\$8,913,436	\$8,812,316
Net Income Before Distributions	\$3,030,411	\$3,100,740
Distribution of Net Income:		
Dividends to Members	1,516,128	1,560,200
Reserves & Undivided Earnings	1,514,283	1,540,540
Total Distribution	\$3,030,411	\$3,100,740

Products & Services

Accounts

- Checking Accounts
- Savings Accounts
- Money Market Accounts
- Individual Retirement Accounts (IRAs)
- Certificates
- Club Accounts

Loans

- **Auto & Recreation Vehicle Loans**
New or Used Auto Loans and Refinance
Title Loans
Motorcycles, RV & Boat Loans
- **Visa® Credit Cards**
- **Home Loans**
First Mortgage
Second Mortgage
Home Equity Loans
- **Triple C Unsecured Line-of-Credit®**

FREE Convenient Services

- Online Banking (@ccessOnline)
- Mobile Banking (@ccessMobile)
- Telephone Banking (AccessLine)
- Mastercard™ ATM or Debit Card
- Nearly 30,000 Fee-Free ATMs Nationwide
- Online Billpay
- Direct Deposit & Payroll Deduction
- eStatements



Your savings federally insured to at least \$250,000 and backed by the full faith and credit of the United States Government. National Credit Union Administrations, a U.S. Government Agency.



We do business in accordance with the Federal Fair Housing Law and the Equal Credit Opportunity Act.



Contra Costa
Federal Credit Union

(888) 387-8632

www.contracostafcu.org



LOCATIONS

Main Branch: 1111 Pine Street, Martinez

Muir Station Branch: 538 Center Ave, Martinez

Antioch Branch: 1870 A Street, Antioch

Benicia Branch: 560 First St, Suite B-106, Benicia

Pittsburg Branch: 160 East Tenth St, Pittsburg

Richmond Branch: 2500 Nevin Ave, Richmond

BRANCH HOURS

Monday - Thursday: 9:00am - 4:00pm

Friday: 9:00am - 5:00pm

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"Because peace of mind matters"