

Where



are **central.**

Coast Central
Credit Union 

2023 Annual Report

COAST CENTRAL CREDIT UNION - WHERE YOU ARE CENTRAL

The year 2023 could best be described as a “mixed bag” of events. Turmoil around the world resulted in sky-high inflation as members were challenged by a need to adopt a spend-more approach than one of building their savings. Lending rates continued to be higher than normal, with hopeful signs of a downturn in 2024. Despite missing a few of our financial goals, our teams’ accomplishments were many and member satisfaction was high.

Some of the highlights of the year are below. As we look ahead, we will celebrate our most recognized point of difference – the most member-centric financial services organization in our service areas. We are an organization with a deep understanding of the dynamic and evolving needs of our members now and well into the future, one with the most respected and supportive team of financial professionals, one in which our message is clear: YOU are central.

Where Giving Back is central

Community giving reached new heights this year, fueled by a greater number of high school seniors receiving \$5,000 scholarships at 25, a new level of community investment grants at \$300,000 awarded to over 40 recipients, and an additional \$300,000 in sponsorships including those provided by our Member Services Branches to non-profits in their local areas. In addition, as part of our Commitment to Community Volunteer Program, our employees contributed a record 6,300 hours, up from 3,400 in 2022.

Where Local Business is central

Our highly experienced Business Services team continues to attract local businesses to the credit union, with 7.6% of households with business accounts compared to the average of 3.4% for credit unions our size. Business loan growth was over 50%, with the average at just 25%, and deposit growth at 29%, with the average at 14%. In 2023, the team added a new software platform to make the loan process more efficient and this year will introduce SBA 7(a) loans guaranteed by the government for loans from \$25,000 up to \$5 million.

Where Our People are central

In a survey conducted mid-last year, members again stated that what’s most important to them in banking with CCCU are our employees, at nearly 80%. Member satisfaction was 94.2%, and employee empathy rated at a consistent 95%, noting that our employees are both accurate and approachable. A large majority still prefers the high-touch method of banking with our exceptional phone and Member Services Branch

employees, especially compared to our peers. We are very proud of our teams and their unwavering commitment to service that is second-to-none.



A handwritten signature in black ink, appearing to read 'Ron Rudebock'.

Ron Rudebock
*Chairman
Board of Directors*



A handwritten signature in black ink, appearing to read 'James T. Sessa'.

James T. Sessa
*President &
Chief Executive
Officer*

Where Financial Education is central

Our web-based Practical Money Skills blossomed last year with the addition of formalized lesson plans for grades pre-K through college, with age-appropriate activities and rewards. With topics ranging from “What is Money?” to “Credit & How it Can Help You,” our employees conducted dozens of presentations to local schools and groups. Additionally, we held our first in-person member seminar since COVID, “How to Outsmart Fraudsters & Scammers” aimed at protecting financial information on all channels. Encouraging Financial Wellness will continue to be a priority for Coast Central for years to come.

Where YOU are central

In our steadfast objective to provide products and services that meet your financial needs now and in the future, in 2023 we invested a great deal of time and resources in testing and preparing for our Online and Mobile Banking upgrade slated for March. Many of the features members had been asking for, including dark mode, ability to lock/unlock credit/debit cards, streamlined Bill Pay, easy payments to individuals, and integrated investment platform have been added. As our teams have spent significant time actively using the new system, they are confident in the improved technology and convenience it brings.

Additionally, last year, we took on various construction projects, including those in McKinleyville and Eureka Downtown, expanding and reconfiguring back-office spaces for greater efficiency. At our Fortuna Member Services Branch, we took advantage of available adjacent space to enlarge one of our highest traffic locations. We also added a 2nd ATM (a drive-up), enclosed our walk-up ATM, improved the Drive-up Window Lane and parking areas, and gave the interior a beautiful, fresh look with wood treatments, dynamic lighting, and new furniture. Needless to say, our members and employees are very happy with the results.

In closing, on behalf of our Management Team and volunteer Board of Directors, we offer our sincerest gratitude to our 77,600 members, 260 employees, and organizations throughout our communities who make up the CCCU family. Without a doubt, at Coast Central Credit Union, YOU are Central.

TREASURER'S REPORT



A handwritten signature in dark ink, appearing to read 'J. Gladding', written in a cursive style.

John Gladding

Treasurer

2023 was another challenging year at Coast Central, with our teams serving members who were navigating unsettling waters. The ongoing effects of COVID-19, repercussions of Russia's invasion of Ukraine, which significantly exacerbated inflation, the collapse of Silicon Valley Bank, which posed a threat to our industry, and the latest turbulence in the Middle East, all played a part in consumer outlook and activity.

But there was some good economic news. Equity markets, which struggled under the weight of inflation in interest rate hikes during 2022, rebounded in 2023. The S&P 500 rose 26.3% for the year. The Federal Reserve shifted from aggressive rate hikes to forecasting multiple rate cuts for 2024. And the US unemployment rate stayed low at 3.6%.

In our local area, our members continued to buy cars, trucks, and homes with financing from Coast Central at a solid pace in spite of scarce dealer inventory, higher rates, and a tight supply of homes. We saw a decline in shares for the second consecutive year, following over four decades of increases, as members continued expending their reserves to keep pace with inflation.

Through it all, our priority remains on our members and their financial well-being. We continue to be well positioned to serve them moving forward, no matter what happens in the rest of the world.

I am very pleased with these results for 2023 as of December 31:

- **Total assets** were \$2,050.4 billion, up 0.55%.
- **Total shares** were \$1,809.3 billion, down 0.73%
- **Total loans** grew 7.23% to \$945.8 million
- **Total membership** reached 77,611, an increase of 1,116 new members or 1.46% in a tri-county area in which population growth is stagnant
- **Net income** decreased from \$19.9 million to \$11.8 million
- **Return on average assets** decreased from 0.95% to 0.58%
- **Loan delinquency** increased slightly to 0.47%, and **Net Charge-offs** were at 0.20%, with our NCUA peers at 0.38%

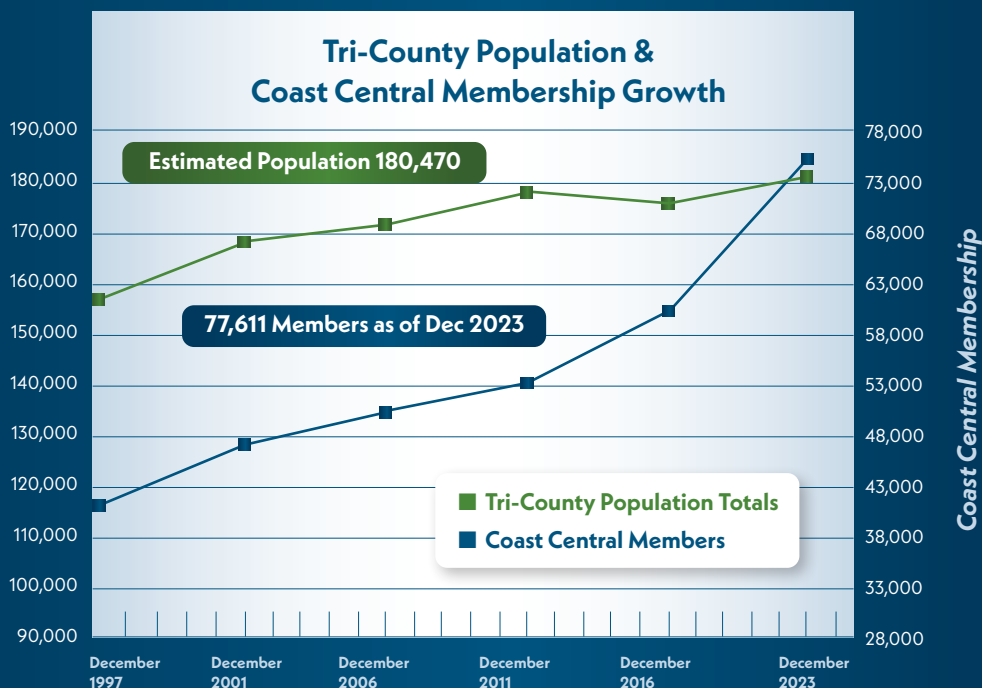
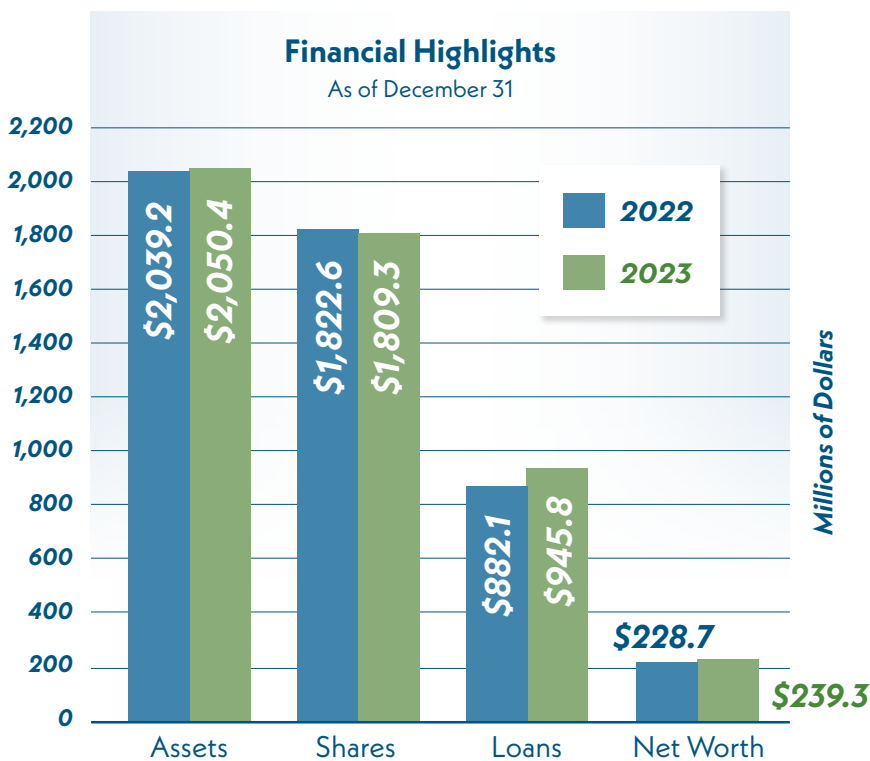
In closing, thank you to our volunteer Board of Directors and Supervisory Committee for their commitment to ensuring the continued strength and success of Coast Central, to our outstanding Management team and staff for their unwavering focus on the highest quality service, and to our members throughout Humboldt, Del Norte, and Trinity counties for your steadfast loyalty.

Consolidated Statement of Condition

December 2023 and December 2022 (Unaudited)

ASSETS	2022	2023
Loans	\$882,058,001.73	\$945,790,916.17
Less Net Orig Fees/Costs	\$705,577.80	\$1,337,324.99
Less Allowance for Overdraft Loss	-\$108,006.04	-\$137,610.31
Allowance for Loan Loss	-\$6,056,944.83	-\$6,471,207.84
NET LOANS	\$876,598,628.66	\$940,519,423.01
FEDERAL RESERVE	\$364,719,954.19	\$324,680,497.41
DEPOSITS/LIQUID FUNDS		
Other Investments	\$56,936,824.37	\$58,971,430.78
Securities, Available for Sale	\$668,308,497.37	\$649,148,495.77
TOTAL INVESTMENTS	\$725,245,321.74	\$708,119,926.55
Buildings, Land & Equipment	\$19,601,190.70	\$23,792,322.72
Share Insurance Funds	\$15,676,458.85	\$15,464,660.84
Other Assets	\$37,363,338.68	\$37,788,279.01
TOTAL ASSETS	\$2,039,204,892.82	\$2,050,365,109.54
LIABILITIES & MEMBER EQUITY		
Accounts/Notes Payable	\$80,637,499.65	\$75,382,899.59
Other Liabilities	\$6,683,241.88	\$9,401,025.45
Member Shares*	\$1,822,567,594.74	\$1,809,264,313.05
Reserves/Undivided Earnings	\$228,714,934.00	\$239,312,814.92
Unrealized Gains (Loss)/Market Value	-\$99,398,377.45	-\$82,995,943.47
TOTAL LIABILITIES & EQUITY	\$2,039,204,892.82	\$2,050,365,109.54

*includes collateralized deposits





Board of Directors

From left to right

Seated: Chairman Ron Rudebock | Vice Chair Denise Jones | Secretary Kelly Walsh

Not pictured: Treasurer John Gladding

Standing: Terry Meierding | Dane Valadao | Matt Wakefield

Not pictured: Rees Hughes and Brendan McKenny



Supervisory Committee

From left to right

Paula Mushrush | Diane Sharples

Not pictured: Karen Zimbelman



MISSION STATEMENT

To be the primary financial institution for members by providing high quality financial services, at competitively favorable rates, consistent with maintaining financial strength.

Coast Central
Credit Union 

(707) 445-8801 | coastccu.org



Arcata | Crescent City | Eureka | Fortuna | Hoopa | McKinleyville | Weaverville | Willow Creek