

# 2019 ANNUAL REPORT

## Ensuring a *Brighter* Future



*Belonging Never Felt Better*<sup>®</sup>

**Coast Central**  
Credit Union 

# THE FUTURE LOOKS *Very* BRIGHT

As we celebrate our milestone 70th Anniversary this year, we recognize that exceeding your expectations, while fulfilling your financial needs, is the reason Coast Central Credit Union has enjoyed decades of success. And the best is yet to come. Some highlights of 2019 are below, made possible by your tremendous support of a “people helping people” approach we have embraced since 1950.

## SYSTEM UPGRADE

We cannot reflect on last year without first mentioning our November computer system upgrade, the first for CCCU since 1987. To say that technology has come a long way in the last 30 years is truly an understatement. Back then, there was no Internet, cell phones, email or texting, Netflix or Instagram.

Upgrading the system was a necessary and beneficial endeavor, and we are still managing some of the changes to ensure they are optimal. Considering we affected each of our 70,000+ members, all 250+ employees, and over 100 vendors, the upgrade was a success and should provide us the ability to serve your array of financial needs for many years to come.

## MEMBERSHIP

As many of you know who have been asked to complete a member satisfaction survey, we value your feedback immensely. Management reviews in depth the results

and every member comment to determine if our offerings and service continue to exceed your expectations. In our fall 2019 surveys, you rated your CCCU experience an overall 94.8%, the highest rating in the history of our credit union. 79% of you stated we are your primary financial institution, up from 76% last year. Thank you for your continued vote of confidence. We are certainly pleased with the results, but know it's essential that we continue to do even better.

## DEPOSIT MARKET SHARE

Another measure of our relevancy is competitive market share, reported each June. Currently 36.54% of consumer deposits in the areas we serve are held at Coast Central. That number is up from 36.13% in 2018 and 35.40% in 2017. The Weaverville market saw the largest increase, from 30.28% to 33.39%, and McKinleyville has the highest reported CCCU market share, at 59.45%. The competitive landscape continues to evolve, and we are

well aware that you have options. Be assured we review our rates, product lines, and service fees regularly to remain your preferred institution for financial services.

## LOOKING AHEAD

The heart of Coast Central, since its formation as a non-profit cooperative seven decades ago, holds firm: provide opportunities for you to save and borrow money at fair rates while staying ahead of your changing

needs, embrace our responsibility of community giving, support and reward our employees, and maintain a financially strong organization that is viable for generations of families and businesses. On behalf of our volunteer Board of Directors, Management Team, and the entire credit union family, thank you for your membership now and in our "bright future."



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 and Chief Executive Officer

## TREASURER'S REPORT

We are excited to share with you that Coast Central Credit Union experienced another year of significant growth during a period of political volatility and changes in global, national, and local markets. This growth is attributed to you, the members of the credit union, for taking advantage of our deposit and loan product offerings.

One of the most important goals of the Board of Directors and Management is to remain financially safe and sound. Toward that end, the credit union achieved a high level of growth and net profitability for the year 2019.

Our decisions and efforts always focus on our members' needs and how we can better meet – and exceed – your expectations through competitive rates on deposits and loans. Total shares increased by 6% or \$75 million. Our lending programs were very successful as well. Total loans outstanding increased \$36 million, or 5%, to \$720 million.

Total assets grew to \$1.577 billion, an increase of over \$104 million. This strong growth and capital position enables Coast Central to invest in the right infrastructure to serve you effectively for years to come.

Clearly, your credit union has achieved outstanding results. The strength and soundness of the organization comes from the continued support of our members and prudent financial management, which resulted in a year of strong financial performance, with a net income of \$14.4 million. Our earnings, measured as a return on average assets, was .95%, which continues to add to our strength and sustainability.

The year 2019 was full of many successes. Heading into 2020, we look forward to more opportunities to serve our members. With a strong financial position, you can be assured that your credit union will remain financially strong - no matter how the economy performs.

I cannot close without an acknowledgement to our outstanding Management and Staff. As Treasurer, I want to express our sincere appreciation to them. Our success would not be possible without their diligence and efforts, and I am very proud to be part of the Coast Central family.



A handwritten signature in black ink, which appears to read "John Gladding". The signature is fluid and cursive.

John Gladding  
Treasurer

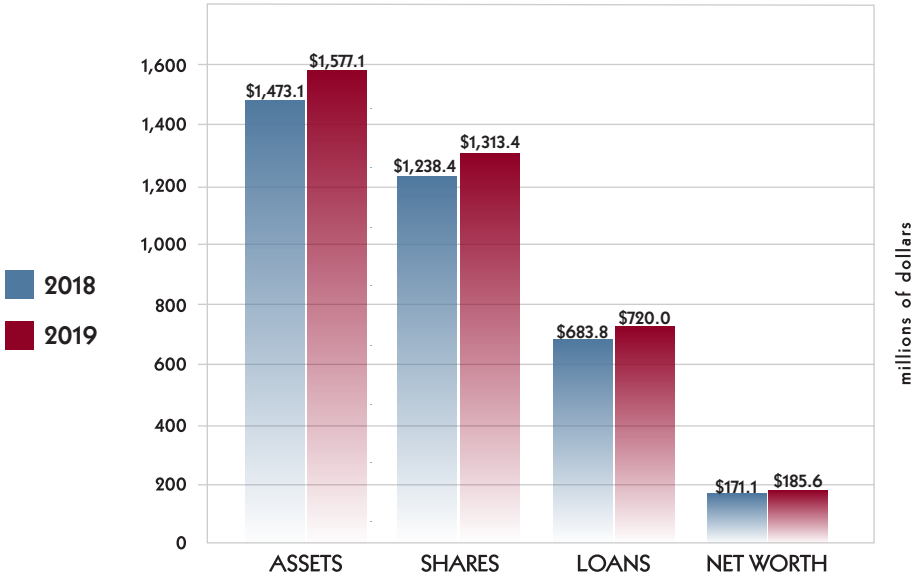
# CONSOLIDATED STATEMENT OF CONDITION

December 2018 and December 2019 (Unaudited)

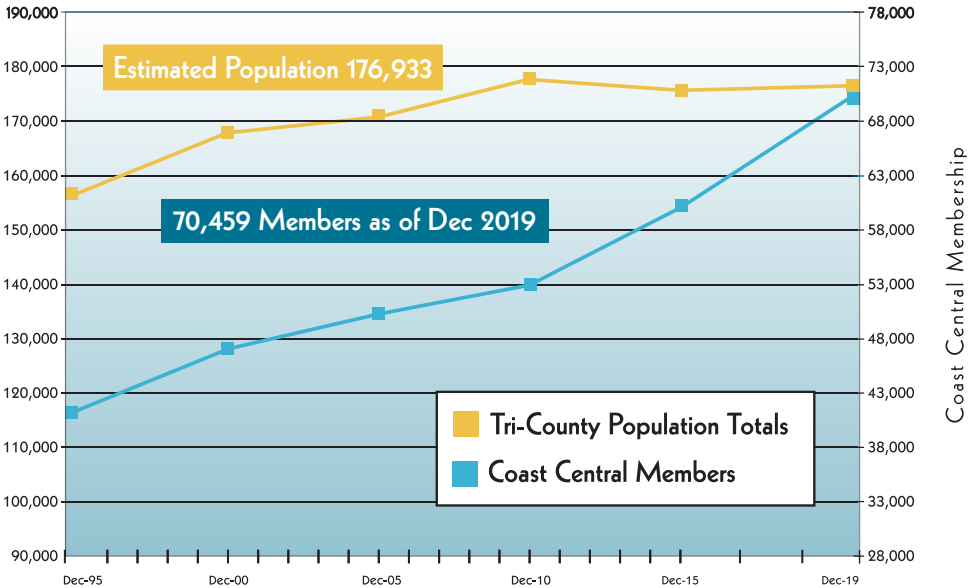
<b>ASSETS</b>	<b>2018</b>	<b>2019</b>
Loans	\$683,778,235.80	\$719,982,630.35
Less Net Orig Fees/Costs	\$932,945.50	\$862,977.88
Less Allowance for Overdraft Loss	(\$109,916.89)	(\$135,261.00)
Allowance for Loan Loss	(\$4,891,614.47)	(\$5,827,003.33)
<b>NET LOANS</b>	<b>\$679,709,649.94</b>	<b>\$714,883,343.90</b>
<b>FEDERAL RESERVE DEPOSITS/ LIQUID FUNDS</b>		
	<b>\$260,348,924.20</b>	<b>\$261,562,865.83</b>
Other Investments	\$8,264,767.74	\$8,196,981.26
Securities, Available for Sale	\$483,427,675.71	\$548,094,443.47
<b>TOTAL INVESTMENTS</b>	<b>\$491,692,443.45</b>	<b>\$556,291,424.73</b>
Buildings, Land and Equipment	\$18,174,209.43	\$20,814,905.88
Share Insurance Funds	\$10,547,758.38	\$11,025,192.82
Other Assets	\$12,578,494.47	\$12,505,050.66
<b>TOTAL ASSETS</b>	<b>\$1,473,051,479.87</b>	<b>\$1,577,082,783.82</b>
<b>LIABILITIES AND MEMBER EQUITY</b>		
Accounts/Notes Payable	\$72,378,911.60	\$70,967,904.54
Other Liabilities	\$4,397,441.63	\$4,514,467.54
Member Shares*	\$1,238,369,807.81	\$1,313,429,319.00
Reserves/Undivided Earnings	\$171,127,492.06	\$185,594,489.13
Unrealized Gains (Loss)/Market Value	(\$13,222,173.23)	\$2,576,603.61
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$1,473,051,479.87</b>	<b>\$1,577,082,783.82</b>
*Includes collateralized deposits		

# FINANCIAL HIGHLIGHTS

As of December 31



## TRI-COUNTY POPULATION & COAST CENTRAL MEMBERSHIP GROWTH



## BOARD OF DIRECTORS



**BACK ROW, LEFT TO RIGHT:** Peter Pennekamp; Kelly Walsh; Robin Bailie; Louis Bucher; Brendan McKenny.

**FRONT ROW, LEFT TO RIGHT:** Denise Jones, Vice Chair; Ron Rudebock, Chair; John Gladding, Treasurer. (Not pictured: Joyce Jury, Secretary)

## SUPERVISORY COMMITTEE



**FROM LEFT:** Karen Zimelman; Paula Mushrush; Diane Sharples

## 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.

*Belonging Never Felt Better®*



(707)445-8801

**coastccu.org**



NMLS #808545

ARCATA • CRESCENT CITY • EUREKA • FORTUNA  
HOOPA • MCKINLEYVILLE • WEAVERVILLE • WILLOW CREEK