

## Chairwoman's Message

Trustworthy practices, superior products and exceptional service – that's our mission, our ongoing commitment, and the principles that guide our efforts.

### Superior Products Drive Financial Results

Member loans grew 11% or \$46 million during 2015. We also introduced a 5/1 adjustable rate mortgage and a 20-year fixed rate first mortgage, which helped contribute to our exceptional 26% growth in first mortgage loans during the year.

Applying leading edge technology, we created a paperless personal loan product delivered from online banking or our mobile app. This product provides qualified members a \$5,000 personal loan in just a few simple clicks.

### Exceptional Service Earns Member Relationships

We survey members monthly to ensure we are delivering exceptional service. The best measurement of our success is how many members are willing to recommend us to their family, friends and co-workers. I'm pleased to report that nearly 90% of our members highly recommend our service, which places us among the very best credit unions and banks nationally. We are proud to have earned your confidence and business over our nearly 80 years of service, and treasure the many relationships we've built along the way.

### Trustworthy Practices

We recognize the importance of creating value and protecting the confidentiality of your account information. We deliver value and build trust in many ways...through competitive rates and low fees; secure online and mobile transactions; state-of-the-art credit and debit card security; and reliable technology solutions. Through these practices, we build lasting member relationships.

### In Closing

I would like to express my gratitude to board member, Joyce Sneed, who retired after 30 years of dedicated service. Her gentle guidance and thoughtful leadership will be missed by everyone with whom she worked.

I would also like to thank our members for giving us the opportunity to serve them, our volunteer officials for their time, guidance and oversight, and our dedicated staff for their hard work in service to our nearly 60,000 members.

### *Maria DeMartini*

Chairwoman of the Board

## *Board of Directors*

Maria DeMartini – *Chairwoman*

Amar Panchal – *Vice Chairman*

Julia Banning – *Secretary/Treasurer*

John Cadwalader

Bill Chen

Charlie Diaz

Jim Peterson

Dave Sena

Kathy Tappero

## *Supervisory Committee*

Joe Dioletto  
*Chairman*

Al Abaunza

Bill Fong

Vince Hendra

Tom Ricci

*as of December 31, 2015*

# Income Statements

In thousands, for the Years Ended December 31,

	<u>2015</u>	<u>2014</u>
Interest income:		
Loans	\$ 19,893	\$ 19,488
Investments and cash equivalents	<u>5,349</u>	<u>4,649</u>
<b>Total interest income</b>	25,242	24,137
Interest expense:		
Members' shares	<u>2,980</u>	<u>3,126</u>
<b>Net interest income</b>	22,262	21,011
Provision for loan losses	<u>(1,453)</u>	<u>527</u>
<b>Net interest income after provision for loan losses</b>	<u>23,715</u>	<u>20,484</u>
<b>Total noninterest income</b>	<u>5,501</u>	<u>5,017</u>
Noninterest expenses:		
Salaries and benefits	13,547	12,497
Operations	7,892	7,750
Occupancy	1,318	1,323
<b>Total noninterest expenses</b>	<u>22,757</u>	<u>21,570</u>
<b>Net income</b>	<u>\$ 6,459</u>	<u>\$ 3,931</u>

# Balance Sheets

In thousands, as of December 31,

	<u>2015</u>	<u>2014</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 62,374	\$ 38,847
Investments		
Available for sale	574,339	612,780
Other	850	850
Loans, net	458,001	410,149
Loans held for sale	723	245
Accrued interest receivable	2,909	2,726
Property and equipment, net	6,635	7,242
Share Insurance Fund deposit	9,193	9,098
Other assets	<u>3,458</u>	<u>2,925</u>
<b>Total assets</b>	<u>\$ 1,118,482</u>	<u>\$ 1,084,862</u>
<b>Liabilities and Members' Equity</b>		
Liabilities		
Members' shares	\$ 957,124	\$ 928,356
Accrued expense and other liabilities	<u>15,108</u>	<u>15,784</u>
<b>Total liabilities</b>	<u>972,232</u>	<u>944,140</u>
Members' Equity		
Regular reserve	11,926	11,926
Unappropriated	136,391	129,932
Accumulated other comprehensive loss	<u>(2,067)</u>	<u>(1,136)</u>
<b>Total members' equity</b>	<u>146,250</u>	<u>140,722</u>
<b>Total liabilities and members' equity</b>	<u>\$ 1,118,482</u>	<u>\$ 1,084,862</u>

*This information has been derived from the credit union's annual financial statements.  
The complete audited financial statements can be obtained directly from the credit union.*



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