

2019 ANNUAL REPORT

*Rooted in the
Past With a
Clear Vision
for the Future*

Cooperative Center
FEDERAL CREDIT UNION

AGENDA: SEVENTY-EIGHTH ANNUAL MEETING

Thursday, April 30, 2020 | 6:30 p.m. – 7:30 p.m.

- I. Call to Order at 6:30 p.m.
- II. Roll Call
- III. Annual Meeting Minutes
- IV. Annual Meeting Reports
 - Board Chairman
 - Treasurer
 - Supervisory Committee
 - Nominating Committee
- V. Adjourn

Due to the extraordinary circumstances resulting from the COVID-19 pandemic, the format of the Annual Meeting has changed. Our strict social distancing guidelines make it unsafe to host members in the lobby. As a result, the meeting will be virtual, with no in-person gathering at the credit union. A Frequently Asked Questions (FAQs) document will be available in hardcopy and online on the website after the meeting. Those who have RSVP'd by April 24, 2020, will be provided call-in and/or login instructions.



Joint Board Chair and CEO Annual Report to Members

This past year at the Cooperative Center Federal Credit Union, we have made great progress toward our goals of strengthening our financial health, improving services for our members, and being part of the solution to the housing affordability crisis in our community. We are grateful to our staff and to our all-volunteer Board of Directors, Supervisory Committee, and other committees for their dedication and service to our members.

New Branch Coming in 2021

Last November, after a multi-year process that began in 2017, we closed on the sale of the property at 2001 Ashby Avenue in Berkeley. While the credit union will continue to serve our members at the current location until our new branch office is ready, the property is now owned by Resources for Community Development (RCD). RCD is a local non-profit affordable housing developer that intends to construct 80 units of 100% affordable housing on the site, with ground floor retail space for up to two local non-profits.

When the Board began considering the sale of the Ashby property, we had three goals in mind: first, securing the fiscal health of the credit union well into the future; expanding our reach in keeping with the migration patterns of our membership; and being a part of the solution to the lack of affordable housing in the Bay Area, specifically in Berkeley. As a Community Development Financial Institution, we analyzed where we were seeing new member growth and recognized the burden gentrification was having on members as we tracked their moves further into both West and East Counties.

During the lengthy Request for Proposal process, the Board selected RCD as the buyer for our real estate holdings. RCD's track record as an affordable housing developer and its commitment to using the site to build 100% affordable housing, which is so desperately needed in South Berkeley, played a substantial role in our decision. Last year, the credit union collaborated with RCD to gather input from the neighborhoods surrounding the credit union on the design of the new building. Several of our members also actively supported RCD in their successful pursuit of funding from the City of Berkeley to support the planned housing development.

The housing development at this site will be named after the legendary South Berkeley community leader and civil rights activist Maudelle Shirek, who was one of the first employees of Cooperative Center Federal Credit Union before her decades-long service as a Berkeley City Council Member.

After evaluating dozens of potential site locations, we are able to announce our new branch will be located at 3015 San Pablo Avenue, on the corner of Ashby and San Pablo. One of the considerations for this location was the close proximity (roughly one mile) to the existing branch. We expect to move into this new location in the first quarter of 2021. Information on exact dates will be announced to the membership as we draw closer to the move. We are currently in the process of selecting a second location for our headquarters and lending center. This will allow us to better serve many of our members who reside along the I-80 corridor in Contra Costa County.

Need to Borrow Money? Cooperative Center Has Highly Competitive Rates and Terms on Loans.

New technology implemented in 2018 – 2019 has allowed us to streamline our lending processes and has improved response time and productivity. Those improvements and the expansion of our loan products and services have allowed us to increase new loans to members over the past several years. While we've had many loyal depositors for many years, a financially healthy credit union has a good balance of member deposits and loans, and we've identified the need to continue growth in this area. In the past year, we've demonstrated great momentum, funding \$1 million or more in member loans per month. This represents a nearly 300% increase in loan origination since 2012. As we continue to grow and build on this momentum, we are grateful to our loan department for their outstanding work.

We hope all of our members will consider Cooperative Center their primary financial institution, which includes borrowing from your credit union for major life purchases and events. The credit union offers competitive rates on a variety of loan products, and we are continually developing products and services designed to meet each individual member at their point of need. A couple examples are our Payday Loan alternative (the Emergency Cash Infusion Loan) and our Payday Loan Consolidation Program. The program was designed as a way to directly replace the predatory nature of payday lenders while helping members improve their financial health. As we grow our loan department, our goal is to become our membership's most trusted lender.

Get Involved

There are numerous volunteer opportunities for our members who would like to be of service to the credit union. We have openings on our Supervisory Committee and Membership Education Committee, and the Board of Directors is accepting application packages for an appointed vacancy to be filled in the second quarter of 2020. Please contact board@coopfcu.org or rredo@coopfcu.org for more information. Please be looking for additional information and announcements in our Spring Newsletter and upcoming email alerts.

We know you have choices when it comes to a financial institution; we thank you for your continued membership.

At your service,

Shyaam Shabaka
Chair, Board of Directors

Fadhila Holman
CEO

Supervisory Committee Report

Per the Federal Credit Union Act, National Credit Union Administration (NCUA) regulations and Cooperative Center FCU Bylaws, the Supervisory Committee (Committee) is appointed by the Board of Directors and tasked with ensuring credit union practices and procedures are sufficient to safeguard member assets. The Committee develops and implements an annual work plan, completes training and works closely with the CEO and management team to gain the operational insights necessary to meet our responsibilities. As part of the Committee's obligation to complete a Supervisory Audit, we contract with an independent CPA firm, review the audit outcomes and act as a liaison between credit union management, the auditors and federal examiners to ensure that any audit exceptions are addressed. Further, the Committee reviews NCUA examination results, oversees management responses and reports to the Board of Directors. The Committee is also entrusted to perform or oversee audit, accounting and operational functions including but not limited to:

- Review of monthly corporate account reconciliations
- Verification of cash and negotiable instruments
- Coordinate any additional regulatory audits included in the Committee's work plan or required by the Board
- Respond to all questions or concerns submitted to us by members regarding account discrepancies or governance of the credit union

Turner, Warren, Huang and Conrad (TWHC), a professional corporation of Certified Public Accountants, completed the annual Supervisory Committee audits effective June 30, 2019. Further, the National Credit Union Administration annual examination showed the credit union to be safe and in good condition, adequate controls exist to protect member assets, and that the financial statements accurately represent the financial condition and performance of your credit union.

Should you require the assistance of the Supervisory Committee, you may contact us directly via our designated Committee mailbox or by emailing us as follows:

Supervisory Committee, Cooperative Center FCU
P.O. Box 3445, Berkeley, CA 94704

Email: SupervisoryCommittee@coopfcu.org

During 2019, the Committee was composed of the following members:

- Tom White, Chair
- Tyisha Johnson
- Larry Hartsough

We are actively seeking interested member volunteers for our Committee. Your contribution of time, talent and skills can make a meaningful difference to the credit union. If you would like to learn more about the Committee or to be considered, please email SupervisoryCommittee@coopfcu.org, or call Rhonda Redo, Administrative Manager, at 510-295-1645.

On behalf of your Supervisory Committee, we want to say thank you for your membership and active participation in using the many products and services offered by Cooperative Center Federal Credit Union.

At your service,

Tom White

Chair, Supervisory Committee

Nominating Committee Report

The appointed Nominating Committee for Cooperative Center FCU Board of Directors 2020 Elections has completed the vetting and selection process for three (3) incumbent candidates. No additional members submitted applications for nomination, and no petitions were submitted.

The names of the incumbent candidates who were voted by the Nominating Committee to be "eligible candidates" are put forth to stand for election to the Cooperative Center FCU Board of Directors. Their names appear below in alphabetical order:

- Anthony L. Hughes
- Sushil Jacob
- Shyaam M. Shabaka

To contact the credit union Nominating Committee, you may write to:

Cooperative Center Federal Credit Union

Attn: Hemby Whitten, Nominating Committee Chair
2001 Ashby Avenue, Berkeley, CA 94703

At your service,

Hemby Whitten

Nominating Committee Chair

Barbara Penny-James, Committee Member

Tureeda Mikell, Committee Member

Per the Bylaws, Article V. Elections, Section 1. Nomination Procedures, Section C., "the election will not be conducted by ballot and there will be no nominations from the floor when the number of nominees equals the number of positions to be filled." Because the number of nominees equals the number of positions to be filled, there will be no election by ballot and there will be no nominations from the floor at the 2020 Annual Meeting.



MEET DWAYNE AND KAMILAH.

Dwayne and Kamilah were getting refi offers from other lenders but decided to first ask what we could offer them. By refinancing their auto loan with us, they saved \$178.91 on their monthly payment! **Join Dwayne and Kamilah and save by refinancing your auto loan today!**

Treasurer's Report

BALANCE SHEET	Year End 12/31/2018	Year End 12/31/2019
Loans	\$69,701,918	\$67,363,253
Less: Loan Losses Allowance	\$(648,516)	\$(437,679)
Cash	\$2,174,030	\$3,052,719
Investment	\$44,402,210	\$47,487,620
Fixed Assets	\$1,739,499	\$79,869
Other Assets	\$1,834,879	\$2,669,191
Total Assets	\$119,204,020	\$120,214,973
Accounts Payable & Other Liabilities	\$682,908	\$665,267
CDFI Secondary Capital Note Due	\$559,800	\$1,119,600
Shares	\$111,526,168	\$108,308,545
Regular Reserves	\$2,207,593	\$2,207,593
Undivided Earnings	\$1,988,351	\$6,234,568
CDFI Treasury Loan (Secondary Capital)	\$2,239,200	\$1,679,400
Total Liabilities and Equity	\$119,204,020	\$120,214,973

INCOME STATEMENT	Year End 12/31/2018	Year End 12/31/2019
Loan	\$3,241,480	\$2,948,756
Investment	\$905,411	\$1,103,680
*Interest Income	\$4,146,891	\$4,052,436
Less: Interest on Borrowed Funds	\$101,275	\$248,213
Less: Dividends	\$75,647	\$71,169
Interest Margin	\$3,969,969	\$3,733,054
Less: Cost of Operations	\$4,908,139	\$6,270,094
Plus: Fee Income	\$828,787	\$611,896
*Net Operating Income	\$(109,383)	\$(1,925,144)
Less: Provision Expense	\$627,771	\$304,718
Plus: Other Income	\$377,891	\$6,476,078
Other Gains & Losses	\$0	\$0
Net Income (Loss)	\$(359,263)	\$4,246,216

Cooperative Center FCU Capital Ratio as of 12/31/2019:

Including CDFI Treasury Loan (Secondary Capital) =
\$10,121,561 / \$120,214,973 = **8.42%**¹

Excluding CDFI Treasury Loan (Secondary Capital) =
\$8,442,161 / \$118,535,573 = **7.12%**²

Mike Leung

Treasurer, Board of Directors

¹Formula for calculating Capital Ratio: Including CDFI Treasury Loan (Secondary Capital) = (Regular Reserves + Undivided Earnings + CDFI Treasury Loan) / Assets
²Excluding CDFI Treasury Loan (Secondary Capital) = (Regular Reserves + Undivided Earnings) / (Assets - Secondary Capital)

By the Numbers:

Asset Growth:



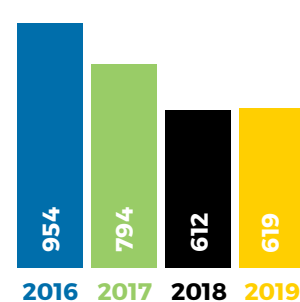
Shares Growth:



Loan Growth:

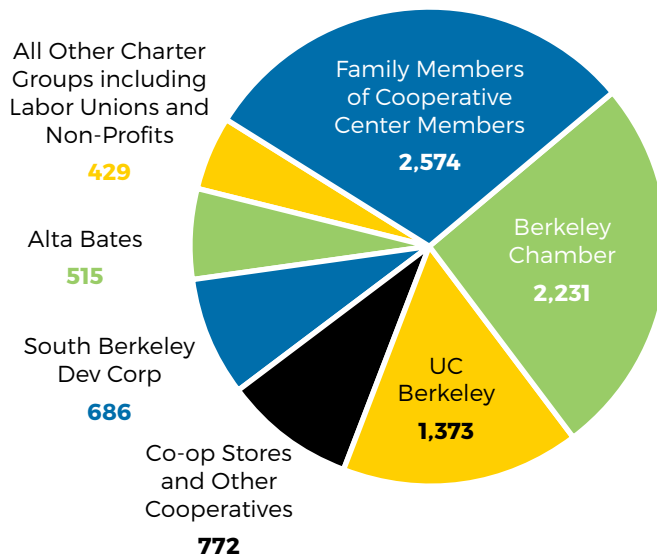


New Members:



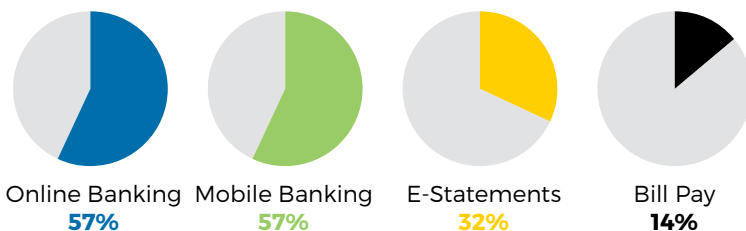
consumer and mortgage loans
excluding participations

Members & Charter Groups:



Electronic Services Enrollment

Percentage of Membership as of 2/29/20



Cooperative Center Federal Credit Union 2019 Annual Meeting of the Members

Ed Roberts Campus | May 9, 2019

Board of Directors Present: Shyaam Shabaka, Jesse Palmer, Al Ringgold, Celeste McAllister, Christina Oatfield and Sushil Jacob

Board Absent: Mike Leung

Credit Union Management Present: Joseph Jabar, Linda Meza, Lindsay Youmans, Debbie Crowson and Rhonda Redo

Nominating Committee Present: Hemby Whitten and Willie Phillips

I. Call to Order

Chair Shabaka called the 77th Annual Meeting of the Members to order at 6:00 p.m. Roll call was taken; a quorum was present.

II. Minutes

The Annual Meeting of the Members minutes dated July 26, 2018, were approved with any necessary corrections by consensus.

III. Annual Meeting Reports

a. Board Chairman's Report

Chair Shabaka stated he and CEO Holman created a joint report for the Annual Report this year. He encouraged members to review the report at their leisure.

Chair Shabaka spoke of some 2018 highlights, which included a new core processor, the plans to redevelop the credit union property, and the desire for the credit union to become a community-based credit union. He then thanked fellow Board members for their time and dedication to the credit union.

b. CEO Report

In the absence of CEO Holman, AVP of Marketing and Business Development Linda Meza spoke of the community outreach that the credit union has been a part of in the past year as well as what is coming up in 2019. She also spoke about some new products, services and financial literacy events that are also coming up.

c. Treasurer's Report

Controller Joseph Jabar reviewed the 2018 financials. He encouraged members who had questions to contact him either at the end of the meeting or at the credit union.

d. Supervisory Committee Report

Tom White thanked the staff for their hard work and spoke briefly about what the Supervisory Committee does for the credit union.

e. Nominating Committee Report

Nominating Committee Chair Hemby Whitten reviewed the list of Board members that were up for re-election as well as the candidates running for election.

f. Election Results

The election results were disclosed by the League of Women Voters of Berkeley, Albany & Emeryville, who supervised the Cooperative Center Federal Credit Union Board of Directors election.

Report from the Teller of Elections to Co-Op Annual Meeting, May 9, 2019

- There were no petition candidates for election to the Board of Directors this year.
- A total of four candidates were contesting for two seats on the Cooperative Center FCU Board. Ballots were printed and mailed to all Cooperative Center FCU members. After the period for submitted voted ballots was concluded, members of the League of Women Voters came to the Cooperative Center FCU offices on May 8 and opened the ballot boxes. A total of 445

valid ballots were received. An additional 54 ballots were found to be invalid due to 1) missing member information, making membership unverifiable; 2) voting by the non-primary member on a joint account; 3) failure to vote on the ballot, or no ballot enclosed; 4) duplicate ballots from the same member; 5) ballots submitted by someone other than the primary member; 6) no documentation designating a voter for a corporate ("non-natural person") membership; and 7) voting for three or more candidates.

- Eligible voters were verified and the ballots tallied. In the verification and tallying process, League members separated each ballot from any identifying envelope.
- A staff member verified the membership of each voter to assure the eligibility of those casting ballots. League members entered the membership information for each voter on a spreadsheet, and they were sorted to assure that no member voted more than once. When the voter's eligibility was confirmed, the I.D. information slip was separated from the ballot and placed in a stack, and the ballot was placed in a separate stack of eligible ballots.
- Ballots were counted by League members, and the tallies agreed upon by them.
- Ballots and I.D. information slips are stored in separate envelopes in a vault at the Cooperative Center FCU offices.

Election Results from Tallied Ballots from May 9:

Amira Jackmon	received 258 votes
Mike Leung	received 222 votes
Deborah Matthews	received 136 votes
Jesse Palmer	received 214 votes

Credit union members are allowed to also cast their ballots at the Annual Meeting, this year in the evening of May 9. A total of 25 valid ballots were cast. In addition, there were three invalid ballots: two did not include membership information, and one did not have proper documentation to vote on behalf of a corporation.

The valid ballots included 8 votes for Jackmon; 12 votes for Leung; 6 votes for Matthews; and 18 votes for Palmer.

Adding these votes to the total tallied on May 9, the results were:

Amira Jackmon	received 266 votes
Mike Leung	received 234 votes
Deborah Matthews	received 136 votes
Jesse Palmer	received 232 votes

You have elected Amira Jackmon and Mike Leung to your Board of Directors.

Congratulations to the winners, thanks to all the candidates for your participation, and thanks also for honoring the League of Women Voters by selecting us to be your Teller of Elections.

g. Q&A Session

Member questions were collected, and those that could be answered during the meeting were responded to. IT and site redevelopment-related questions may be responded to via post-meeting communications including print and electronic newsletters, email blasts, the credit union website or other forms of direct mail.

IV. Adjourn

The meeting adjourned at 7:48 p.m.



3015 SAN PABLO AVENUE

Our new branch will be on the corner of Ashby and San Pablo – only about one mile from our current branch!

We have officially closed on a new property at 3015 San Pablo Avenue! We are slated to move into the new building in early 2021, with our current location going to Resources for Community Development to construct affordable housing. The exact move-in date is to be determined as we move closer; in the meantime, we will continue to serve you from our current location.

Announcing a New Loan Center Coming Soon!

Continue watching for postcards, newsletters and your email for this and other exciting news!

Member Reviews

They are very pro-community and help members out a lot. They offer loans at rates far lower than banks (income generated goes into loans for other members), and as a non-profit in general they don't try to rip you off or bury you in fees...

Irene N

Been a member since I was 16 years old. Holiday account, debt consolidation, savings account, financing car, teaching children how to save money. Family oriented!

Tanya R

I have had a loan with this company for almost 6 years. Excellent customer service and one of the best that I have encountered. Hands down. Customer service reps are kind, efficient, and prompt. The same goes for IT when I am having issues with my password.

Maria D

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