

2020 ANNUAL REPORT



Board of Directors Present:

Shyaam Shabaka, Mike Leung, Sushil Jacob, Celeste McAllister and Christina Oatfield

Nominating Committee Present:

Hemby Whitten and Tureeda Mikell

Credit Union Management Present:

Fadhila Holman, Mark Suacillo, Joseph Jabr, Linda Meza, Lindsay Youmans, Debbie Crowson, Francisca Ortiz and Rhonda Redo

I. Call to Order:

Chair Shabaka called the 78th Annual Meeting of the Members to order at 6:30p.m. Roll call was taken. Including members who were attending this meeting online, a total of 27 persons were in attendance, a quorum was present.

II. Minutes:

The Annual Meeting of Members minutes dated May 9, 2019, were read into record by Ms. Meza and were approved with any necessary corrections by consensus.

III. Annual Meeting Reports:

Joint Board Chair and CEO Report

Chair Shabaka reviewed some highlights from the joint report. He relayed the credit union was recertified as a Community Development Financial Institution by the US Treasury Department in April 2020. In addition, the credit union closed on the sale of the land and building located at 2001 Ashby Avenue in Berkeley. In light of the affordable housing crisis, the Board selected Resources for Community Development (RCD) as the buyer for the credit union property. RCD has committed to constructing 80-plus units of 100% affordable housing. The project will be named in honor of Maudelle Shirek.

Chair Shabaka said after evaluating dozens of possible locations, the credit union selected 3015 San Pablo Avenue, Berkeley, for the new branch location. The work on this new location has begun and the move will begin between December 2020 and the 1st quarter of 2021.

Chair Shabaka then spoke about the coronavirus pandemic and stated the credit union is committed to helping members during these unprecedented times. He stated the credit union is assisting members who need to sign up for contactless digital and electronic services to meet the goal of social distancing while providing members full access to their accounts. The credit union has also eliminated fees for services like Bill Pay and loan payments made over the phone.

Chair Shabaka stated the credit union loan servicing department is offering short-term solutions to members who may be facing financial pressures of reduced or no income. To date, 140 members have been assisted. He thanked the credit union staff for their hard work and then invited members to apply for open positions on the Board of Directors and Supervisory Committee.

Treasurer's Report

Controller Joseph Jabr reviewed the Treasurer's report on behalf of Board Treasurer, Mike Leung. Mr. Jabr went through the 2019 financials and touched on areas such as asset growth, loan growth and the need to improve net income. He also stated the credit union strives to provide quality services that offer the best returns to members.

Mr. Jabr invited members to think of the Cooperative Center as their lending solution so the credit union can be financially successful.

Supervisory Committee Report

Tom White read the Supervisory Committee Report. Mr. White stated the last examination showed the credit union to be safe and in good condition, have adequate controls to protect member assets, and the financial statements accurately represent the financial condition and performance of the credit union.

Nominating Committee Report

Linda Meza reviewed the report on behalf of Nominating Committee Chair, Hemby Whitten. She read each year, the Nominating Committee selected and vets potential candidates for the credit union Board of Directors. This year, three (3) Board members had three (3) expiring terms. The three incumbents were vetted for nomination. No additional Board member applications were received. Per the credit union Bylaws, no ballot was required.

IV. 2019 Recap:

AVP of Business Development and Marketing, Linda Meza went through membership trends and stated family members of existing members continue to drive new member growth. She stated since the core processor conversion in 2018, there has been significant increased use in online and mobile banking as well as the switch to e-statements and online bill pay.

Ms. Meza touched on some 2019 community highlights. She spoke about financial wellness and how the credit union has online tools to help members meet their financial goals. CooperativeFiQ is available on the credit union website since 2019 and over 700 members have logged in with nearly 200 actively using the tools.

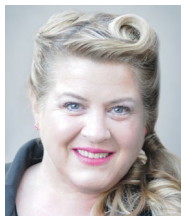
Ms. Meza stated the credit union 2020 outreach has been severely impacted by the pandemic, but as restrictions are relaxed, the credit union will strive to be more visible where our members work, live and play.

Chair Shabaka then thanked members for attending the 2020 Annual meeting and adjourned the meeting. The meeting adjourned at 7:14 p.m.

SEVENTY-NINTH ANNUAL MEETING

Joint Board Chair and CEO Annual Report to Members

This past year was extraordinarily challenging for Cooperative Center Federal Credit Union staff and management. Amid these major obstacles, the team kept the doors open, the lights on, and managed to successfully open our two new locations in Berkeley and Martinez while never losing focus on serving members financially impacted by the pandemic. There are no words to sufficiently express how grateful we are to our essential workers who navigated us through these unprecedented times.



COVID Response: Emergency Loans for Members

Our team responded quickly to the first Shelter-in-Place orders, creating special loan products for members affected by the pandemic. We launched both a quick-turnaround Pandemic Emergency Response Loan and a lower-dollar Pandemic Emergency Loan for members ineligible for Unemployment Insurance or Federal Stimulus checks. Both loan products were set up with easy application processes, flexible terms, delayed first payments and low fixed-rate pricing, and will continue to be offered for approximately sixty days after the National and/or Statewide State of Emergency concludes, whichever is later. Our goal is to provide our members far more affordable access to emergency funds than credit card debt or payday loans.

Throughout 2020, our loan servicing team worked closely with members experiencing losses in income due to the pandemic. The credit union was able to assist approximately 150 members with a variety of repayment solutions. As a result, nine (9) members were able to stay in their homes and 139 members retained vital sources of transportation. As a credit union, being there for our members during times of need is critically important. Even if it yields less financial gain for our institution in the short term, we know supporting our members is always – in good times and bad times – our greatest strength.

When economic conditions impact our members, those same conditions impact the credit union's fiscal position. Along with credit unions nationally, Cooperative Center experienced a rapid, dramatic drop in investments, fee and other income beginning March 2020. To balance the loss of income, focus was placed on controlling expenses

AGENDA

Thursday, April 22, 2021

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

while completing relocations and maintaining services to members. In 2021, thanks to the new administration's rollout of various relief programs, we are pursuing an array of special COVID-era Federal grants and low-cost loans available to Community Development Financial Institutions.

Pandemic Challenges

As you may know, financial services, i.e., credit union employees, are classified as essential. Much like our members, many on our team felt the effects of the pandemic, health-related emergencies, loss (including the loss of day care), and the need to provide online learning at home. Management worked to create a system that allowed for flexible scheduling and work-from-home where possible.

Despite offering flexible solutions, the team endured considerable personal risk in keeping our credit union running in 2020. Since our last annual meeting, several of our staff suffered losses of close family members due to an array of health issues (COVID-19-related and otherwise). We lost a team member to a long-term illness (not COVID-19) and everyone has been impacted by stress, loss and grief.

Meanwhile, we congratulated our former Loan Supervisor, who retired last year after 49 years of service to the members. We are grateful for her extraordinary dedication and we are still working to fill her shoes.

Amid these losses, and the limitations on staffing while seeking to reduce personal contact during the height of the surge in coronavirus cases, some will recall the credit union temporarily decreased lobby hours. We understand these arrangements were inconvenient for some of our members. We thank you for your patience and understanding as we adapted to social distancing and other health and safety related protocols.

New locations!

As of this writing, hopefully all members are aware we sold the 2001 Ashby Ave location to RCD, a local nonprofit affordable housing developer. Once completed, the site will be

home to 86 units of affordable rental housing and a community events space. The new building will be named after the late Maudelle Shirek, the legendary local civil rights activist. Maudelle was one of the first employees of the credit union. She later went on to serve as a member of the Berkeley City Council and continued to volunteer her time and service to Cooperative Center as a member of the Board of Directors. In case you missed it, our collaboration with RCD was covered in detail by [Berkeleyside](#) last year.

In 2020, our new service locations and more robust electronic services were undertaken with the goal of expanding our reach, accessibility and convenience to the largest concentration of members and potential members in Alameda and Contra Costa Counties. Members are still able to access all the member services provided at the Ashby location when visiting the new branch at 3015 San Pablo Ave, Ste A (at the corner of Ashby, near Berkeley Bowl West, Walgreens, and other shopping), Berkeley. Our back-office operations, including accounting and call center, as well as a Loan Center, have opened at 634 Ferry Street in beautiful downtown Martinez. While there is a second full-service ATM at this location, there is no “teller line.” We are so grateful to our staff and construction teams who went the extra mile in the face of a pandemic to make these moves happen in a timely manner.

As part of the branch relocation, great consideration was given to providing an ATM at the site of our old location once the housing project was complete. Based on the increasing use of online banking, point-of-sale debit card purchases, and the expansive availability of CO-OP® Network fee-free ATMs nationwide (including the new deposit-taking ATM located in the new branch less than 1.5 miles away), we concluded the expense of installing and maintaining a new ATM kiosk in the Maudelle Shirek building (2001 Ashby Ave) in addition to the newly installed ATM at the 3015 San Pablo branch was not the best use of members’ resources. Look for the CO-OP and STAR Network symbols on the back of your Debit and Credit Cards and on most Credit Union and 7-11 ATMs for fee-free ATM access. Search on our website or using your mobile banking app to find the CO-OP Network ATM closest to you.

What’s Ahead

This spring, our Board will be embarking on a visioning session to chart out a plan for the coming several years. We will be thinking big in terms of our plans for a brighter future. Despite all the hardship of the past year, we are seeing the light at the end of the pandemic tunnel. Thanks to our heroic credit union team and our supportive members, we are optimistic about the future of our credit union.

At your service,

Christina Oatfield
Chair, Board of Directors

Fadhila Holman
CEO



LOAN CENTER / HEADQUARTERS
ARCHITECTURAL RENDERING

BY THE
NUMBERS



The appointed Nominating Committee for Cooperative Center FCU Board of Directors 2021 Elections has completed the vetting and selection process for two (2) incumbent candidates and one (1) vacant seat. One additional member submitted an application for nomination, and no petitions were submitted.

The names of the incumbent candidates and applicant 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:

- Fadel Hamed
- Celeste McAllister
- Christina Oatfield

To contact the credit union Nominating Committee, you may write to:
Cooperative Center
Federal Credit Union
Attn: Nominating Committee
634 Ferry Street, Martinez, CA 94553

At your service,

Nominating Committee Members

- Rev. Anthony Hughes
Sushil Jacob
Shyaam Shabaka

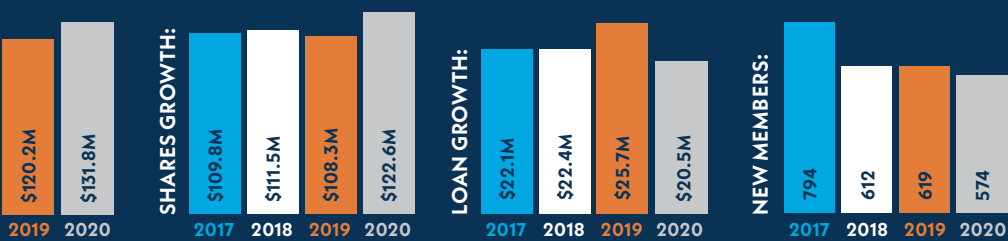
BALANCE SHEET	Year End 12/31/19	Year End 12/31/20
Loans	\$67,363,253	\$67,251,579
Less: Loan Losses Allowance	\$(437,679)	\$(424,593)
Cash	\$3,052,719	\$1,743,485
Investment	\$47,487,620	\$57,884,338
Fixed Assets	\$79,869	\$3,133,612
Other Assets	\$2,669,191	\$2,242,960
Total Assets	\$120,214,973	\$131,831,382
Accounts Payable & Other Liabilities	\$665,267	\$433,266
CDFI Secondary Capital Note Due	\$1,119,600	\$0
Shares	\$108,308,545	\$122,670,717
Regular Reserves	\$2,207,593	\$2,327,851
Undivided Earnings	\$6,234,568	\$5,840,547
CDFI Treasury Loan (Secondary Capital)	\$1,679,400	\$559,000
Total Liabilities and Equity	\$120,214,973	\$131,831,382
INCOME STATEMENT	Year End 12/31/19	Year End 12/31/20
Loans	\$2,948,756	\$2,874,023
Investment	\$1,103,680	\$908,799
*Interest Income	\$4,052,436	\$3,782,822
Less: Interest on Borrowed Funds	\$248,213	\$82,907
Less: Dividends	\$71,169	\$70,429
Interest Margin	\$3,733,054	\$3,629,487
Less: Cost of Operations	\$6,270,094	\$4,237,029
Plus: Fee Income	\$611,896	\$793,123
*Net Operating Income	\$(1,925,144)	\$185,581
Less: Provision Expense	\$304,718	\$459,344
Plus: Other Income	\$6,476,078	\$0
Other Gains & Losses	\$0	\$0
Net Income (Loss)	\$4,246,216	\$(273,763)

Cooperative Center FCU Capital Ratio as of 12/31/2020:

Including CDFI Treasury Loan (Secondary Capital) =
 $\$8,727,398 / \$131,831,382 = 6.62\%^1$
Excluding CDFI Treasury Loan (Secondary Capital) =
 $\$8,168,398 / \$131,272,382 = 6.22\%^2$

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)



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 of Agreed Upon Procedures, 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, 2020. 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 2020, 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 take a moment to recognize the hard work and dedication to the membership by Cooperative Center's team during the ongoing global pandemic. And to our members, 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

www.coopfcu.org



Cooperative Center
Federal Credit Union

BRANCH

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LOAN CENTER | HEADQUARTERS

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