

Annual Meeting Minutes April 23, 2013



Call to Order – The meeting was called to order at 5:35 pm by Board Chair, Roxanne Ostrem on April 23, 2013.

Introductions – The President/CEO, Joe Schroeder, the Board of Directors and Supervisory Committee members were introduced.

Pledge of Allegiance and Ascertainment of Quorum – The Pledge of Allegiance was led and quorum was recognized by Board members Al Duff and Monique Nowlin.

Appointment of the Parliamentarian – Ms. Ostrem appointed Brenda Morris as Parliamentarian for the Ventura County Credit Union 2012 Annual Meeting.

Approval and/or Correction of the 2011 Minutes & 2012 Annual Report – Ms. Ostrem requested a motion to accept the minutes of the 2011 Annual Meeting and the 2012 Annual Report as distributed. Pat Madden made a motion and Mr. Duff seconded the motion. There was no discussion. The motion carried.

Board of Directors' Report – Ms. Ostrem welcomed everyone to the 2012 Annual Meeting. Ms. Ostrem dedicated this meeting to Al Duff for 50 years of service.

Management Report & Treasurer's Report – President/CEO Schroeder welcomed everyone to the 2012 Annual Meeting. Mr. Schroeder reported 2012 was a great year for VCCU. VCCU ended 2012 with assets exceeding \$627 million and a net income of \$5,359,220. Ultimately, we ended 2012 with strong net worth and capital, putting us in a very sound financial position as we head into 2013 and the economic recovery. VCCU has experienced record-breaking growth in membership. Overall in 2012 we grew our membership by 10%. We were able to help members save over \$7 million in our refinance

challenge. We were voted 1st place for Banks/Financial Institutions in the VC Reporter Best of Ventura County poll. We were also voted #1 in the Ventura County Star 2012 Reader's Choice. We installed 21 new ATMs with enhanced capability. In 2012 we opened all offices and call center on Saturdays. We joined the Shared Branching Network which allows our members to go to a participating Credit Union and process transactions. Business Services was rolled out in 2012. We added two Financial Advisors and now have \$50 million under management through CFS, our member investment program. In 2013 we will be opening a new office in Port Hueneme.

Supervisory Committee Report – The Supervisory Committee report was presented by the 2012 Committee Chair, Susan Craig.

Other Noticed Agenda Items – There being no Other Properly Noticed Agenda Items, Ms. Ostrem invited Ms. Morris, Chair of the Nominations and Elections Committee, to present the election results.

Elections – Ms. Morris communicated that as provided in the Bylaws of the Credit Union, when one member is nominated for each position to be filled, each nominee is declared elected by acclamation. There was one nomination for each open position for the Board of Directors. Sue Tatangelo, Albert Duff and William Frank have each been elected to a three-year term on the Board of Directors. In addition, there was also one nomination for each open position for the Supervisory Committee. Jeff Landis has been elected to a three-year term and Margo Byrne has been elected to a two-year term both for the Supervisory Committee.

Adjournment – Mr. Duff moved to adjourn the 2012 Annual Meeting of Ventura County Credit Union at 5:55 pm. The motion was seconded by Mr. Frank. The motion carried.

Report of the Supervisory Committee

The Supervisory Committee serves as oversight for the membership and Board of Ventura County Credit Union. We monitor the Credit Union's financial condition through various audits to ensure that the Credit Union's records are maintained properly, honestly and accurately. We review the internal audit reports as well as the annual independent audit report to verify that policies established by law and by the Board of Directors are carried out faithfully. We maintain communications with the Credit Union's regulatory examiners to warrant that Ventura County Credit Union's assets are safeguarded and its operations meet compliance requirements.

The volunteers on the Supervisory Committee bring diverse professional expertise, which results in comprehensive inquiries to management about the Credit Union's activities. We meet routinely with management and review the various reports to determine that your Credit Union remains a safe place for the membership's assets. Based on the aforementioned activities, we can report that Ventura County Credit Union remains financially sound.

2013 Supervisory Committee

Jeff Landis, Chair
Danielle Brinkman-Vera
Margo Byrne
Sandra Carlsen
Wendy Vickers



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Charting a Shared Course



2013 Annual Report

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Report of the Chairperson of the Board and CEO

It has been quite an exciting journey for VCCU, our team and our members. Reviewing the highlights of the past year, it's clear that this has been a journey of growth.

We closed the year with 62,763 members, an increase of 6% over 2012. Our assets increased by \$26,380,860 to a year-end total of \$654,328,439. Shares grew by \$21,457,544 to \$592,738,640. Our asset and share growth over the past 3 years is at or near the top in comparison with other credit unions across the US. Net income was \$5,113,029 which was our 4th consecutive year of exceeding the \$5 million mark.

Our Return on Assets (ROA) was a respectable .80%. Our Net Worth and Capital climbed slightly over 2012 to 8.73% and 9.19% respectively. Loan growth was in the double-digits, led by an increase in auto loans by 21%. Home Loans were up 10% over the previous year. Delinquency rates (.46%) and charge off rates (.51%) remained enviably low.

Our Financial Advisors finished the year with \$75 million in assets under management. In just 2 ½ years this program has helped many of our members plan their future. Our East County Advisor achieved a Gold Pacesetter standard as one of the top advisors in the 200 credit unions serviced by CUSO Financial Services.

We've grown our presence over the past year, as well. In 2013, we were pleased to open our new full service office in Port Hueneme. Our new location has allowed us to bring more convenience and services, including a 24-hour ATM, to members living in that community. As our journey continues, we envision expanding our horizons even farther into communities where current and future members work and live. Our Community Development staff welcomed five partner groups as part of our initiative to increase our focus on underserved residents.

With our membership base continuing to expand, we've increased our staff to ensure we deliver the same level of responsive service our members have come to expect. At the close of 2013, staff members totaled 161 — a 15% increase over the previous year. As our team grows, we remain focused on providing the personalized services that our members deserve.

As we've grown, we've also continued to evolve our services to better meet the changing needs of our members. This evolution can be seen in our new branding, launched in full effect in 2013. With a cleaner, brighter, more member focused and member-friendly look, feel and message, our new brand reflects the positive direction and vision of VCCU as we move forward. We're happy to report that members have

responded enthusiastically to our new brand, which is inspired by their goals, dreams and experiences of Living the Life.

Our members have also responded enthusiastically to our service. In fall 2013, we conducted a member survey to gauge the effectiveness of our services. Survey results show 95% of members surveyed are "very satisfied" or "satisfied" with the service provided at the Credit Union. The survey also indicates that a majority of our members are extremely likely to recommend VCCU to family and friends. Our doors are always open to our community.

Echoing the results of our survey, readers of the Ventura County Star and Ventura County Reporter voted VCCU as their Favorite Financial Institution — an honor we've held for five years running. Thank you to all who voted for us. We work hard every day to earn this honor.

In 2013 our volunteer efforts to serve our community increased. Twenty eight employees donated a total of 336 hours to charitable organizations in Ventura County. Our Board Chair Roxanne Ostrem was awarded the Global Women's Leadership Network's 2013 Athena Award, recognizing outstanding achievement in support of credit union development particularly as it relates to women's leadership development.

It's a journey that is far from over. Though we have made tremendous progress in 2013, holding a steady course while exploring new horizons, we still have more destinations to reach, more members to serve and more dreams to help transform into realities. We couldn't make this journey without the teamwork of our staff and volunteers, the partnership of our members and the support of our communities.

We are pleased to have you onboard and look forward to seeing where the next year will take us.



Joe Schroeder
President/CEO



Roxanne Ostrem
Chairperson, Board of Directors

Income Statement

	2013	2012
Interest Income		
Investments and Cash Equivalents	\$ 4,035,694	\$ 5,170,697
Interest Income on Loans	14,790,820	14,681,420
Total Interest Income	18,826,514	19,852,117
Interest Expense		
Interest on Borrowed Funds	8	0
Dividend Payment	1,848,087	2,517,774
Total Interest Expense	1,848,095	2,517,774
Net Interest Income	16,978,419	17,334,343
Loan Loss Provision	208,386	1,744,944
Net Interest Income after Provision for Loan Losses	16,770,033	15,589,399
Non-interest Income		
Fees and Changes	9,055,131	8,345,821
Other	911,059	738,821
Total Non-Interest Income	9,966,190	9,084,642
Non-interest Expense		
Compensation and Benefits	10,124,608	8,513,014
Occupancy	1,559,400	1,523,412
Office Operations	6,100,522	5,711,608
Professional and Outside Services	587,490	630,094
Other Expenses	2,786,942	2,420,533
Total Non-Interest Expense	21,158,962	18,798,661
Net Income Before Non-Operating Gain/(Loss)	\$ 5,577,261	\$ 5,875,380
Non-Operating (Gain)/Loss	\$ 464,232	\$ 516,160
NET INCOME	\$ 5,113,029	\$ 5,359,220

Financial Condition

	2013	2012
Assets		
Cash	\$ 93,470,480	\$ 91,831,123
Total Investments	212,848,259	227,831,326
Gross Loans	309,277,090	271,738,062
Less: Reserve for Loan Loss	(2,155,117)	(3,410,077)
Net Loans	307,121,973	268,327,985
Property and Equipment	22,529,345	22,755,977
Interest and Other Receivable	11,629,873	11,207,126
NCUSIF Share Insurance	5,788,553	5,454,499
Other Assets	939,957	539,543
Total Other Assets	40,887,727	39,957,145
Total Assets	\$ 654,328,439	\$ 627,947,579
Liabilities and Members' Equity		
Liabilities		
Total Member Shares	\$ 592,738,640	\$ 571,281,096
Dividends Payable on Shares & Borrowings	95,721	128,548
Accrued Expenses and Other Liabilities	3,491,934	3,446,064
Total Liabilities	3,587,655	3,574,612
Regular Reserve	13,617,948	13,617,948
Undivided Earnings	43,513,772	38,400,743
Unrealized Gain-Equity Securities	870,424	1,073,180
Total Equity	58,002,144	53,091,871
Total Liabilities & Equity	\$ 654,328,439	\$ 627,947,579

2013 Board of Directors

Roxanne Ostrem, Chair
Philip Bohan
Susan Craig
Al Duff
William G. Frank

Pat Madden
Brenda Morris
Monique Nowlin
Sue Tatangelo



Total Assets in millions
\$654.3



Net Loans in millions
\$307.1



Equity in millions
\$58.0

