

Santa Cruz Community Credit Union

2009 Annual Report

Annual Meeting

Please join us for our 33rd Annual Meeting, Thursday, April 22, 6:00 pm, at 324 Front Street, Santa Cruz.

- Board elections
- Community Fund winners announced
- Light meal served

Mission

Santa Cruz Community Credit Union is a nonprofit financial cooperative that promotes economic justice.


Santa Cruz Community Credit Union es una cooperativa financiera sin fines de lucro dedicada a promover la justicia económica.

Vision

Santa Cruz Community Credit Union pursues a vision of vital local communities whose members contribute individually and collectively to a just society. In our vision, all people have full access to economic opportunity, and have the resources to make effective financial decisions for themselves, their families, and their communities.



Branch Locations:
324 Front Street
Santa Cruz, CA
1428 Freedom Blvd.
Watsonville, CA
831-425-7708
www.scrucuu.org

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We have a lot to be proud of in 2009. We helped families realize home ownership for the first time. We supported small, locally-owned businesses in starting or expanding operations. Through our community programs, we helped hundreds of members learn how to manage their money, file tax returns, and get refunds.

The reason we do this work is because of our commitment to you, our members. We believe in treating each member fairly, with respect, and with transparency. We are proud of our mission as a nonprofit financial institution that promotes economic justice. We are serious about our commitment to financial responsibility, social impact, and environmental stewardship.

Santa Cruz Community Credit Union is recognized as one of the most innovative and successful community development credit unions in the country. Like everyone else, the Community Credit Union was affected by the tough economic times in 2009. Although we lost money due to unusually high loan losses, we were able to support many of our members with financial education and loan restructures while they get back on their feet.

How can you support your Community Credit Union? Think of us first when you need a loan (that's how we make money). Tell your family and friends about the great work of the Community Credit Union and invite them to join. Attend one of our free financial education workshops and then tell someone else about what you learned. We're glad that you're here and look forward to talking with you.

Ginger McNally
Chief Executive
Officer

Michael Meara
Board President

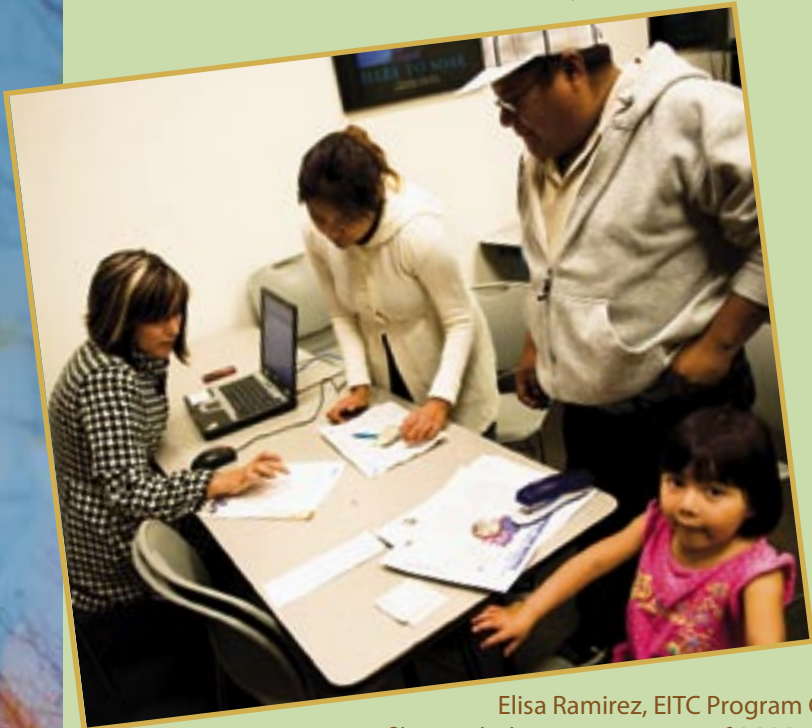


Joint message from SCCCU's Board President and CEO.

KAILA ANGELO

Community Lending and Community Programs Report

SCCCU's mission to promote economic justice works on multiple levels to improve the financial stability of our members and the community. SCCCUC provides hard-working individuals and families with access to capital, affordable financial services, financial education, and asset building tools to build financial self-sufficiency.



Elisa Ramirez, EITC Program Coordinator, assists tax filers with their return at one of SCCCUC's free tax sites.



Rebecca King graduated from SCCCUC's matched savings program and funded her small business Garden Variety Cheese; Om Gallery and Rhino Toys are business borrowers.



2009 LENDING IMPACT

Small Business Lending

\$14 million in loans
170 entrepreneurs
60% microentrepreneurs

Get Green Loans

\$1.1 million
52 borrowers

Consumer Lending

\$8.2 million
254 borrowers

Affordable Housing = Mobile Home Lending

\$1.4 million in loans
13 homeowners

SCCCUC measures its success in promoting economic justice through sound financial management, social impact, and environmental stewardship. SCCCUC is proud to report that its unique combination of lending products, services and programs continue to have a positive impact on people hardest hit by the recession.

In 2009, President Obama signaled his confidence in the effectiveness of Community Development Financial Institutions (CDFIs) by using stimulus dollars to increase CDFI funding. In June 2009, SCCCUC, a CDFI, received a \$2 million award to support our community lending.

In 2009 SCCCUC deepened its commitment to reducing emissions by working with the City of Santa Cruz's Climate Action Program staff to create a greenhouse gas inventory of current activities. In 2010, SCCCUC will create a comprehensive climate action plan that will reduce our emissions in all categories (energy, transportation, waste, purchased goods, and more). Details of our climate action plan will be posted on our newly updated website in the second half of 2010.

2009 ASSET BUILDING IMPACT

Matched Saving Accounts

117 participants
\$1,048,352

Financial Education

1802 participants
24 community partners

Free Tax Assistance

329 returns
\$444,156

ChildCare Ventures

58 participants
5 community partners

SCCCUC Business Borrower Profile

Windmill Café

Owners Mary Apra and Michael Sigmon

"We're so much more than just a coffee shop!"

In only four months, Windmill Café owners Mary Apra and Michael Sigmon have taken a Santa Cruz Historic Landmark and turned it into an art space, music venue and eatery. Both owners have a history of working with and around food — from heading departments at Staff of Life and New Leaf — to managing their own "garden" — a 14-acre garden. "I was always fantasizing about having my own place," explains Apra. "When I found the Windmill building for sale on craigslist.org, I knew it was the space to create what I wanted."

Co-owners, Mary and Michael have done all the work on the project themselves — from painting and remodeling, to landscaping and sign painting, to supply buying and cooking. Apra and Sigmon strive to 'keep it local.'

"Since we opened, we've become a gallery space for local artists, very local — as in, customers who can walk to the café from their homes. One artist sold 13 of their 15 pieces on display in the café."

Funding for the project came locally as well. "As a member of SCCCUC for almost twenty years, they were the first place I thought of. I believe in credit unions, I believe in keeping it local—it was a no brainer. They've been so good to me. I'm very grateful. I couldn't have done this without Santa Cruz Community Credit Union."



Michael Sigmon and Mary Apra inside Windmill Café in Live Oak.

Our programs would not be possible without the continued investment by our members, board members, volunteers, staff and our public and private funders. SCCCUC and its nonprofit affiliate, Santa Cruz Community Ventures (SCCCUC's 501(c)(3) affiliate), thank you for your time, your financial support, and your commitment to economic justice. We would like to thank the Community Foundation of Santa Cruz County, United Way Santa Cruz County, Watsonville Law Center, Community Action Board, and federal support, including the CDFI Fund. For more information about how you or your organization can support our work, contact Sheila Schat at sheila.schat@scruzccu.org or 831-460-2342.



FINANCIAL REPORT	12/31/2009	12/31/2008
INCOME		
Loan Interest	\$4,191,469	\$4,083,986
Investment Interest	\$138,600	\$302,318
Non-Interest Income	\$1,170,764	\$1,179,056
Total Income	\$5,500,833	\$5,565,360
EXPENSES		
Operating Expenses	\$3,553,177	\$4,483,385
Provision for Loan Loss	\$2,170,331	\$1,714,296
Dividends and Interest	\$566,211	\$1,276,351
Total Expenses	\$6,289,719	\$7,474,032
SURPLUS (Net Surplus)		
	(\$788,886)	(\$1,908,672)
ASSETS		
Total Loans	\$66,922,321	\$60,641,620
Allowance for Loan Loss	(\$2,256,564)	(\$1,229,785)
Net Loans	\$64,665,757	\$59,411,835
Cash	\$6,494,804	\$2,004,298
Investments	\$5,687,973	\$7,647,987
Fixed Assets	\$3,755,617	\$3,871,273
Other Assets	\$1,330,921	\$782,345
Total Assets	\$81,935,073	\$73,717,738
LIABILITIES, MEMBER EQUITY AND RESERVES		
Total Liabilities	\$2,795,086	\$647,086
MEMBERSHIP EQUITY		
Primary Shares	\$30,410,050	\$26,316,794
Checking	\$16,912,299	\$15,065,717
Money Market	\$1,347,824	\$1,412,988
Certificates	\$17,203,827	\$20,162,126
Individual Retirement Accounts	\$6,591,441	\$4,918,223
Total Deposits	\$72,465,441	\$67,875,848
RESERVES		
Total Reserves	\$6,674,546	\$5,194,804
Total Liabilities, Member Equity and Reserves	\$81,935,073	\$73,717,738
NUMBER OF MEMBERS		
	9,519	8,384

Board of Directors

Michael Meara, *President*
Eric Grabiell, *Vice-President*
Christina Cuevas, *Secretary*
Kimberly Hallinan, *Treasurer*

Mary Bennett, Ken Kimes, Mario Maldonado,
Gwen Marcum, George Newell, Pablo Requerin,
Alisa Thomas, Chuck Tremper

Executive Committee

Mary Bennett, Christina Cuevas, Eric Grabiell,
Kimberly Hallinan, Michael Meara

Supervisory Committee

Maura Matera, *Chair*, Suzanne MacLean,
Jane Massie

Credit Committee

Kimberly Hallinan, Thomas Kern, Alisa Thomas

Supervisory Committee Report

by Maura Matera, *Chair*

The Supervisory Committee is responsible for ensuring that the financial statements accurately and fairly represent the financial condition of the SCCCU and that management practices and procedures safeguard members' assets.

Throughout 2009, the Supervisory Committee met to review the operating practices and procedures of the Credit Union. It was determined that the policies and practices are safe, sound and are administered within the bounds of the Credit Union bylaws.

The CPA firm, TWHC, headquartered in Burbank, CA has been engaged to complete an annual internal audit and member account verification. The Independent Auditor's Report will cover the period of January – December, 2009. The findings of this report will be available in the second quarter of 2010.

SCCCU will increase its environmental stewardship activities in 2010. Santa Cruz Climate Action Team (www.30x20.org) participated in the International Day of Climate Action on October 24, 2009; design by Greg Cotten.

COLLETTE STREIGHT

