

2017 Annual Report



HERE FOR YOU AND YOUR DREAMS



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JOINT MESSAGE FROM THE BOARD CHAIR & CEO Here for you and your dreams

We may live in turbulent times, but also in exciting days where a positive determination in our communities and across the country can and will make a difference when we stand together. **Dreams are attainable.**

At Santa Cruz Community Credit Union, we believe in the foundational truth of equality and that every person and every business should have access to financial services and financial tools to build stable sustainability. True to our mission in 2017, we diligently focused on segments of our community who are often excluded from financial service access. From our immigrant community to our local Cannabis business owners, every person and every small business deserves an opportunity to grow their dream.

From our Board to our dedicated team of staff, we are truly **Here for You and Your Dreams.** We recognized the uniqueness of the Santa Cruz County community from our humble beginnings in 1977, and today we continue to be a unique financial cooperative for our member/owners.

In 2017, we stretched beyond "local status quo" to support Dreamers with DACA (application) loans for at-risk undocumented youth, and continued to rally around protection of our immigrant community including lending to ITIN borrowers. More than \$2.6 million to ITIN borrowers for homes, autos and business. ITIN borrowers are those who are committed to be a stable part of our community and to pay taxes, but do not yet have a Social Security number. What we do helps our community become more stable, which is beneficial for all! In addition, we continued to support accounts for local Cannabis owners as one of the only

— Sylvia Reyes, Board Chair

financial institutions openly supporting these businesses. ITIN borrowers, immigrants and Cannabis business owners have all been excluded from mainstream banking options in our county, forcing many to seek funds from predatory lenders. Not acceptable.

Answering the financial needs and 'Dreams' of our community has been more than just talk for more than 40 years. As a not-for-profit financial cooperative motivated by promoting economic justice, we are local, independent, member-owned and a certified Community Development Financial Institution (CDFI), designated to serve low-income and minority communities, as well as small businesses well beyond mainstream banks and credit unions.

We also assisted more than 300 members with credit counseling and over 130 members with home ownership counseling and real estate technical assistance. Because of our unique approach, we were awarded a CDFI grant in fall of 2017 to support affordable home lending and small businesses in the low-income regions of our county. Although we can do more for our low-income community, we continue to look to serving **every** person and business who not only has a dream, but also understands the unique business model of Santa Cruz Community Credit Union.

We feel privileged to call Santa Cruz County our home and we look forward to the future. As your Credit Union grows, so does our ability to deliver quality products and services to our community. We are proud to serve this amazing county and we embrace our duty to serve the underserved – to work every day to fulfill dreams, hopes and ambitions.

— Beth Carr, President/CEO

REPORT OF THE SUPERVISORY COMMITTEE

The Supervisory Committee serves as the oversight committee for the membership and Board of Santa Cruz Community Credit Union. The volunteers on the Supervisory Committee bring professional expertise and experience to their oversight responsibilities resulting in a comprehensive review of the Credit Union's operation practices, procedures and compliance.

Throughout 2017, we monitored the Credit Union's financial condition through our review of various audits, as well as review of operating practices and procedures. The Supervisory Committee is responsible for ensuring that the financial statements accurately and fairly represent the financial condition of Santa Cruz Community Credit Union and that management

— Suzanne MacLean
Chair

— Linda Brown
Committee Member

— Ulf Christensson
Committee Member

practices and procedures safeguard members' assets.

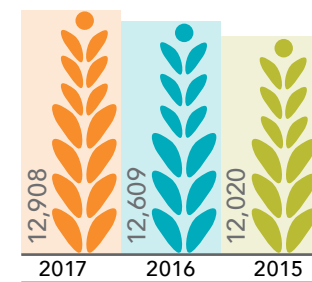
We review and select the CPA firm which will perform the annual audit and the member account verification. This Independent Auditor's Report covers the period of January through December 2017 and findings of this report were reviewed by the Committee in April 2018.

The Supervisory Committee meets routinely with SCCCUCU management and spends time reviewing the various reports to determine that your Credit Union remains a safe place for your finances. The Supervisory Committee is pleased to report that Santa Cruz Community Credit Union remains financially safe and sound.

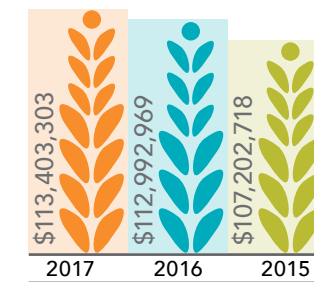


FINANCIAL REPORT

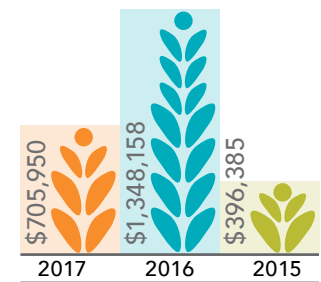
	2017	2016
INCOME		
Loan Income	\$ 5,226,768	\$ 5,379,331
Investment Income	138,615	143,078
Non-Interest Income	2,117,182	1,731,891
Total Income	\$ 7,482,565	\$ 7,254,300
EXPENSES		
Operating Expenses	\$ 6,069,887	\$ 5,670,981
Provision for Loan Losses	639,815	156,281
Dividends and Interest	66,913	78,880
Total Expenses	\$ 6,776,615	\$ 5,906,142
NET INCOME/(LOSS)	\$ 705,950	\$ 1,348,158
ASSETS		
Total Loans	\$ 87,363,710	\$ 86,305,379
Allowance for Loan Losses	(1,391,464)	(1,742,696)
Net Loans	\$ 85,972,246	\$ 84,562,683
Cash	10,208,110	17,229,076
Investments	6,429,964	5,377,345
Fixed Assets	3,829,692	3,853,036
Other Assets	6,963,291	1,970,829
Total Assets	\$ 113,403,303	\$ 112,992,969
LIABILITIES, MEMBER EQUITY & RESERVE		
Total Liabilities	\$ 1,991,228	\$ 3,703,369
MEMBER EQUITY		
Primary Shares	61,276,587	61,306,697
Checking/Money Market	38,047,712	36,328,663
Certificates	819,944	767,389
Individual Retirement Accounts	3,123,759	3,453,831
Total Deposits	\$ 103,268,002	\$ 101,856,580
RESERVES		
Total Reserves	\$ 8,144,073	\$ 7,433,020
Total Liabilities, Member Equity & Reserves	\$ 113,403,303	\$ 112,992,969
NUMBER OF MEMBERS	12,908	12,609



TOTAL MEMBERS



TOTAL ASSETS



NET INCOME

BOARD OF DIRECTORS

Sylvia Reyes, *Chair*
Howard Sherer, *Vice Chair*
Reggie Knox, *Secretary*
Ami Ebricht, *Treasurer*
Paulina Moreno
Tammy Pelstring
Phil Lee

SUPERVISORY COMMITTEE

Suzanne MacLean, *Chair*
Linda Brown
Ulf Christensson

BRANCH LOCATIONS

324 Front Street
Santa Cruz, CA 95060
590 Auto Center Drive
Watsonville, CA 95076