



# 2014 Annual Report



## PRESIDENT'S MESSAGE

2014 was a good year for the economy and a great year for 1<sup>st</sup> United Services Credit Union. We're seeing the return of home values in most areas and many members joined the Credit Union this year for a low-rate car loan – both indicators of a continually improving market.

Management and staff once again worked hard to achieve our strategic initiatives and goals. Our 2014 loan and membership growth will ensure the continued success and long-term security of our member-owned institution.

With the success of 2014 behind us, we are already hard at work in key areas of this year's strategic plan. As we look forward to 2015, we are excited about what's coming ahead.

In the first part of the year, we will be opening a new branch in the Rockridge area of Oakland and another at Alameda Landing in Alameda. Both of the new locations are conveniently and centrally located and will feature new technologies to improve your in-branch experience. We will continue to stay abreast of new technologies and opportunities to better serve our members in person, by phone, or via online and mobile channels.

Employee education and training will be a priority this year with the goal of providing an educated, dedicated and consultative staff to better serve our members.

Giving back to our communities will remain at the forefront of our mission and we will continue to work with charitable organizations and provide financial education to local schools, employer groups and members.

We are proud to be a strong, local institution and I give our sincerest thanks to all our members, volunteers, and staff for the continued dedication and support to the Credit Union.

Sincerely,



Victor Quint  
President and CEO



## CHAIRMAN'S REPORT

On behalf of the Board of Directors, I'd like to thank our members for the continued loyalty and support over the years. It's because of your dedicated participation, and our committed volunteers and staff, that 1<sup>st</sup> USCU continues to remain financially strong and stable.

Our financial performance continued on a positive trend and we ended the year with a positive net income of \$5.7 million – a 36% increase over 2013.

Our strategic focus for 2014 was to ensure the organization's long-term financial security and growth. We specifically focused on growing our net worth, increasing loans, attracting and retaining new members, and developing stronger relationships with our existing members.

In 2014, we also focused on improving our use of technology and offering our members more convenient ways to access their accounts. We paid close attention to our members' security by implementing Fraud Text Alerts for our Visa cards, reducing fraud by 85%. To further protect our members against fraudulent credit card transactions, we completed preparations to introduce EMV chip cards in 2015.

Education was also a focus. Providing our members with the knowledge they deserve to make better financial decisions was top priority for us.

As always, 1<sup>st</sup> USCU remains focused on community outreach and support. We were able to help many organizations such as Alternative Family Services (AFS), The Alameda County Community Food Bank, and Toys For Tots.

1<sup>st</sup> USCU continues to make steady progress financially and we will continue to offer only the very best in financial offerings. With your help and continued support of the Credit Union, we can continue to offer our members a lifetime of simpler, faster and friendlier products and services.

On behalf of the Board of Directors, I wish to give our sincerest thanks to all our members, volunteers, and staff.



Howard T. "Bud" Garrigan  
Chairman, Board of Directors



## SUPERVISORY COMMITTEE REPORT

The Supervisory Committee serves as the Credit Union's internal audit division. We review internal controls and audit the Credit Union's internal policies and procedures. In addition, the Committee has regular contact with the membership to ensure that member requests have been properly met.

The Supervisory Committee engaged Orth, Chakler, Murnane and Company, CPAs to perform an independent audit of 1<sup>st</sup> United Services Credit Union's records. The results of the audit were favorable and determined 1<sup>st</sup> USCU to be safe and sound in policy and practice. The audit, conducted in accordance with Generally Accepted Accounting Procedures (GAAP) standards, indicated that 1<sup>st</sup> United Services Credit Union remains financially stable.



Jack Sanders  
Chairman, Supervisory Committee

## TREASURER'S REPORT

The Treasurer of 1<sup>st</sup> United Services Credit Union oversees and ensures the accuracy of the financial reports as presented to the Board of Directors by the management of the Credit Union.

1<sup>st</sup> USCU continued to grow and gain financial strength. Total assets at year-end in 2014 were \$834,329,195.

Throughout 2014, we launched innovative products and services to help our members plan and save for the future and achieve their important financial goals.

I am confident that 1<sup>st</sup> USCU will continue its great tradition of service to its members within the framework of financial strength and stability.



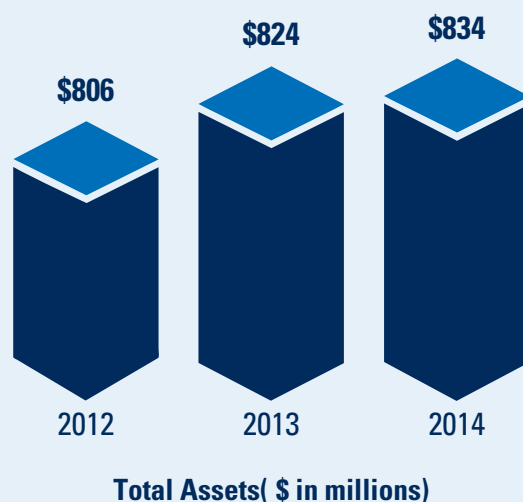
Neil Petersen  
Treasurer, Board of Directors

## Comparative Balance Sheet

	2014	2013
<b>ASSETS</b>		
Loans, net	\$ 585,935,531	\$ 539,161,450
Cash	58,142,763	47,343,633
Investments	169,630,524	216,033,983
Building & Land	6,012,782	6,306,552
Other Fixed Assets	1,850,146	1,890,819
Other Assets	12,757,449	12,924,656
<b>TOTAL ASSETS</b>	<b>\$ 834,329,195</b>	<b>\$ 823,661,093</b>
<b>LIABILITIES</b>		
Regular Shares	\$ 145,511,923	\$ 138,377,893
Share Drafts	88,105,235	83,982,799
Money Market Account Shares	237,123,040	231,100,668
Share Certificates	273,880,323	289,463,774
<b>TOTAL SHARES</b>	<b>745,620,521</b>	<b>742,305,661</b>
Other Liabilities	3,311,250	2,618,307
<b>TOTAL LIABILITIES</b>	<b>748,931,771</b>	<b>744,923,968</b>
<b>EQUITY AND RESERVES</b>		
Unrealized Investment Gains/(Losses)	\$ (756,733)	\$ (1,635,622)
Regular Reserves	26,856,642	26,856,642
Undivided Earnings	59,297,515	53,516,105
<b>TOTAL CAPITAL &amp; RESERVES</b>	<b>85,397,424</b>	<b>78,737,125</b>
<b>TOTAL LIABILITIES, EQUITY &amp; RESERVES</b>	<b>\$ 834,329,195</b>	<b>\$ 823,661,093</b>
Return on Average Assets	0.70%	0.52%
Net Worth Ratio	10.33%	9.76%
Asset Growth	1.30%	2.14%

## Operating Income Statement

	2014	2013
<b>INCOME</b>		
Loan and Visa Income	\$ 23,540,098	\$ 23,335,932
Income From Investments	2,325,019	2,533,712
Other Operating Income	6,489,334	7,257,223
<b>Gross Income</b>	<b>32,354,451</b>	<b>33,126,867</b>
<b>DIVIDENDS</b>	<b>3,289,350</b>	<b>3,461,792</b>
<b>OPERATING EXPENSES AND PROVISION FOR LOAN LOSS</b>		
	<b>23,283,692</b>	<b>25,419,745</b>
<b>NET INCOME</b>	<b>\$ 5,781,409</b>	<b>\$ 4,245,330</b>



## Directory

### Alameda - Marina Village

805 Marina Village Parkway  
M – F, 9:00 a.m. – 5:00 p.m.  
Saturday, 9:00 a.m. – 1:00 p.m.

### Alameda Landing

Coming soon  
2680 5th Street, Suite 10

### Berkeley

2175 Milvia Street  
M – F, 9:00 a.m. – 5:00 p.m.  
Saturday, 9:00 a.m. – 1:00 p.m.

### Castro Valley

3365 Castro Valley Boulevard  
M – F, 9:00 a.m. – 5:00 p.m.  
Saturday, 9:00 a.m. – 1:00 p.m.

### Fremont

2710 Mowry Avenue  
M – F, 9:00 a.m. – 5:00 p.m.  
Saturday, 9:00 a.m. – 1:00 p.m.

### Hayward

109 Review Way  
M – F, 9:00 a.m. – 5:00 p.m.

### Oakland - Courthouse\*

1225 Fallon Street, Ste G14  
M – F, 8:45 a.m. – 4:45 p.m.

### Oakland - Rockridge

Coming soon  
6300 College Avenue, Suite 110

### Pleasanton

5901 Gibraltar Drive North  
M – F, 9:00 a.m. – 5:00 p.m.

### San Leandro

600 Bancroft Avenue  
M – F, 9:00 a.m. – 5:00 p.m.  
Saturday, 9:00 a.m. – 1:00 p.m.

### Union City

33131 Alvarado Niles Road  
M, T, TH, F, 9:00 a.m. – 5:00 p.m.  
Saturday, 9:00 a.m. – 1:00 p.m.

\*ATM only available during business hours.  
For additional ATM locations, visit [1stuscu.org](http://1stuscu.org).

### Mailing Address

5901 Gibraltar Drive North  
Pleasanton, CA 94588

### Member Contact Center: (800) 649-0193

M – F, 8:30 a.m. – 5:00 p.m.  
Saturday, 9:00 a.m. – 1:00 p.m.

### Lending Center: (800) 649-0193

M – F, 8:30 a.m. – 5:00 p.m.

### Automated Telephone Banking:

(800) 404-3909



## Chief Officers

### Victor Quint

President & CEO

### Joanna Boedecker

Chief Information Officer

### Tosha Y. Eagles-Williams

Chief Lending Officer

### Greg Pulliam

Chief Administration Officer

### Ed Renteria

Chief Operations Officer

### Steve Stone

Chief Financial Officer

## Board of Directors

### Howard T. "Bud" Garrigan

Chairman

### Steve Manning

Vice Chairman

### Naomi Burns

Secretary

### Neil Petersen

Treasurer

### Veleta Allen

Director

### Diana Bonanno

Director

### Gerald DeMaria

Director

### Teresita M. Lauigan

Director

### Dave Macdonald

Director

## Supervisory Committee

### Jack Sanders

Chairman

### Perry White

Secretary

### Len Herrero

Richard Smith

Joseph Thomas

