

## SUPERVISORY COMMITTEE REPORT

The Supervisory Committee independently evaluates the soundness of Cal Center CU's operations and activities, ensuring that management implements sound internal controls and maintains practices and procedures that adhere to accepted general accounting principles. In doing so, they carry these primary responsibilities:

- Protection of members' funds and interests
- Safeguarding of assets
- Compliance with regulations, policies and procedures
- Reliability of financial records

The Committee meets regularly to review and discuss internal controls, as well as auditing matters. It also retains an independent accounting firm to perform an Agreed Upon Procedures Audit as it relates to the overall financial condition of Cal Center CU.

Based on the results of the 2009 annual audit performed by Turner, Huang, Warner, Conrad, and by the DFI, we conclude Cal Center CU has adequate financial control and is financially sound.

On behalf of the Supervisory Committee, it's a privilege to serve and support the membership of this credit union.


Respectfully submitted,

**Traci Miller Olszowy**  
Supervisory Chairperson

### MISSION STATEMENT

*California Center Credit Union is dedicated to establishing a partnership with its members by delivering competitive, high quality products that enhance their financial well being.*

[www.calcentercu.org](http://www.calcentercu.org)



# CAL CENTER

credit union

## 2009 Annual Report

**CALIFORNIA CENTER CREDIT UNION**  
2010 Annual Meeting of the Membership  
WesCorp • San Dimas, CA  
Thursday, May 20, 2010



## AGENDA

- 4:30 Social
- 4:45 Business Meeting
- Appointment Parliamentarian
- Determination of Quorum
- Approval of Minutes
- Introductions
- Chairperson's Report  
– Kimberly Hester
- Treasurer's Report  
– Craig Montesanti
- CEO's Report  
– Linda Pettit
- Supervisory Committee Report  
– Traci Miller Olszowy
- Unfinished Business
- New Business
- 2010 Election Results
- Destruction of Ballots
- 5:15 Door Prize Drawings
- 5:30 Adjournment

## BOARD OF DIRECTORS

- Kimberly Hester . . . . . Chairperson
- Andrea Blais . . . . . Vice Chairperson
- Tony Kitt . . . . . Member
- Craig Montesanti . . . . . Member
- Don Gensler . . . . . Member
- Gail Yarbrough . . . . . Member
- Lucy Ito . . . . . Member

## SUPERVISORY COMMITTEE

- Traci Miller Olszowy . . . . . Chairperson
- Mark Martinez . . . . . Member
- Laura Cloherty . . . . . Member
- Kari Wilfong . . . . . Member
- Salvador Mendoza . . . . . Member

## STAFF

- Linda Pettit . . . . . President/CEO
- Ivonne Gustafson . . . . . Loan Officer
- Paveena Zibell . . . . . Member Service Representative
- Nancy Brock . . . . . Operations Representative

## CHAIRPERSON AND PRESIDENT'S REPORT

2009 was the most financially turbulent time in modern economic history. This affected each of us in different ways. Most of us know someone who lost their job, and a few of us know somebody who lost their home. Given these conditions, credit unions have an even greater role in serving their members. Cal Center CU takes this responsibility seriously, which means we're doing all we can to serve our members during these volatile economic times.

The financial reports show we are safe and sound, and are well-capitalized under NCUA's guidelines. The Credit Union has taken prudent measures to control expenses and minimize the impact on reserves. Your Board and Management have maintained a conservative philosophy to ensure the Credit Union's viability. We are cautious with our lending policies, and we make safe and permissible investments. Our Department of Financial Institutions (DFI) examination confirms our sound practices and policies.

In spite of the current economic environment, new opportunities are arising. Credit unions have distinguished themselves as the best choice for consumers among financial institutions. For example, nationally-renown financial expert Suze Orman has recommended our credit card program when spotlighting Credit Card Connection to her audience, an organization that helps consumers find the most fair and ethical credit card programs. Credit unions are increasingly the choice for consumers needing a good banking alternative. Our not-for-profit cooperative spirit is alive and well, giving us a new window of opportunity to share how valuable the credit union philosophy and member ownership are.

Cal Center CU's primary objective for more than 35 years is providing the products and services our membership desires. This will not change as we continue to review new technology that brings efficiency and value to members.

We are currently working on acquiring additional small employee groups (SEGS) by leveraging our new retail location at Ontario Airport Towers. This will build upon our base of 1,600 members from our current sponsoring groups.

The Credit Union's sponsor groups provide a strong foundation. Through their generous support, we're able to continue offering innovative and robust financial services. We would like to thank the California Credit

Union League, CO-OP Financial Services, Financial Service Centers Cooperative, WesCorp, and CUDL for everything they do to help Cal Center CU.

We value and appreciate your membership, and are committed to being the key to your financial success. You have a choice on which financial institution to use and know that we must continue to earn your business. We exist only to help in your financial needs and look forward to the opportunities to serve you by poising for the challenges we know are ahead. Together, we can make a difference.

Respectfully submitted,

**Linda Pettit**  
Chief Executive Officer

**Kimberly Hester**  
Chairperson of the Board

## TREASURER'S REPORT

As your Treasurer, I am officially reporting that Cal Center CU had assets of \$8,865,134 for the year ending 2009. Due to the financial crisis, we had extraordinary charges assessed by the NCUSIF of \$12,146 and impairment to our WesCorp Capital accounts of \$43,634, which contributed to a Net Income Loss of \$90,272. These charges were unprecedented, and rather than pass them along to our members through increased loan rates and fees, we took a charge-off from income and reserves.

The Credit Union is fiscally sound as evidenced through our two financial audits conducted in 2009. The examiners from DFI and auditors from the CPA firm Turner, Warner, Hwang, Conrad have reviewed our policies, procedures, operations, and financials.

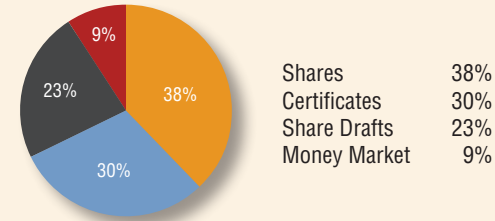
Cal Center CU will continue to be challenged in this economy. However, your continued support of the credit union for your savings and borrowing needs will allow us to continue offering financial value to our members.

I want to extend my appreciation to the staff, who are always open to questions and strive to keep all aspects of the Credit Union in good working order. It's been a privilege to serve as your Treasurer.

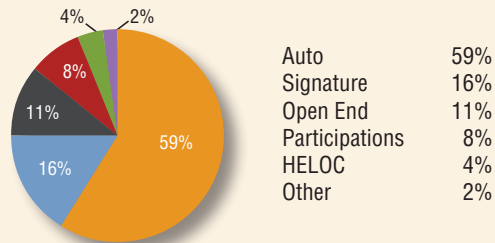
Respectfully submitted,

**Craig Montesanti**  
Treasurer

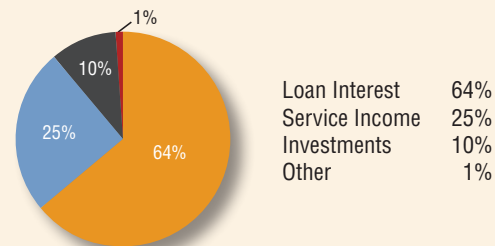
### Distribution of Member Shares '09 \$7.9m



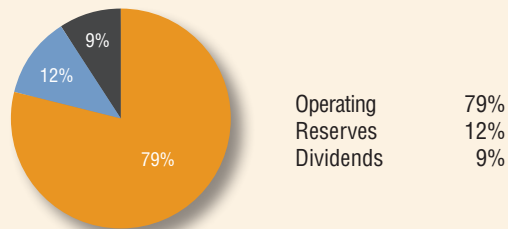
### Distribution of Loans '09 \$5.1m



### Distribution of Income '09



### Distribution of Expenses '09



## STATEMENT OF FINANCIAL CONDITION

Assets	2008	2009
Cash	\$136,654	\$95,749
Investments	\$3,051,610	\$3,304,378
Loans to Members	\$5,808,037	\$5,181,492
Fixed Assets	\$47,253	\$147,952
NCUSIF Deposits	\$72,753	\$74,125
Other Assets	\$64,147	\$61,438

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<b>Total Assets</b>	<b>\$9,180,453</b>	<b>\$8,865,134</b>
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## LIABILITIES AND EQUITY

Dividends Payable	\$35,405	\$22,763
Other Liabilities	\$44,668	\$80,924

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<b>Total Liabilities:</b>	<b>\$80,073</b>	<b>\$103,687</b>
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## EQUITY

Member Shares	\$8,247,121	\$7,998,459
Regular Reserve	\$197,970	\$197,970
Retained Earnings	\$655,289	\$565,018

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<b>Total Liabilities, Shares, and Equity</b>	<b>\$9,180,453</b>	<b>\$8,865,134</b>
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