

2013 ANNUAL REPORT

NICE



NICE. REMARKABLY NICE.®

## CHAIRMAN AND CEO REPORT

Credit unions were founded on the principle of people helping people, and we're proud to say that one of Oregon Community Credit Union's core strengths is helping our members make their dreams come true with a variety of products and services. We continue to make a difference in our members' lives by working with them to reduce monthly payments, consolidate other debts, move into their dream home, drive off the lot in that shiny new car or just get started saving for retirement.

In 2013, OCCU helped more than 900 members with their mortgage loan needs, making us one of Lane County's top mortgage lenders. And, as one of the top four auto lenders in Oregon, we continue to help finance cars, trucks and recreational vehicles for thousands of members. In addition, we've been able to help more than 500 members in difficult situations keep their homes and vehicles through workout loans and loan modifications.

We've also worked hard to help our members reach their long-term financial goals. At the end of 2013, Oregon Community Investment Services was managing more than \$214 million in assets for more than 4,700 members. These members put their trust in us to help them reach their retirement goals, manage their funds in retirement and increase their personal wealth overall.

OCCU experienced positive loan growth and posted positive net income in 2013. This allowed us to continue giving back to our members by investing in new technology to help make their lives more convenient. We enhanced our online services to ensure our experiences are the best they can be, regardless of the channel chosen. We strive to make the experience easy and convenient, while simultaneously improving efficiency and keeping important confidential member information safe and secure. Last year, we opened a state-of-the-art service center in Salem that boasts a streamlined environment where members can quickly and easily self-serve for routine transactions, but where OCCU staff is always available to help. We also launched a system which allows memberships and accounts to be

opened online, removing the need to visit a branch or make a phone call to become an OCCU member or add additional accounts.

We are excited to report that our service area grew in 2013 too, as we were granted approval to expand our charter from 10 Oregon counties to 28. OCCU can now serve anyone who lives or works in Benton, Clackamas, Clatsop, Columbia, Coos, Crook, Curry, Deschutes, Douglas, Gilliam, Hood River, Jackson, Jefferson, Josephine, Klamath, Lane, Lincoln, Linn, Marion, Morrow, Multnomah, Polk, Sherman, Tillamook, Washington, Wasco, Wheeler or Yamhill County.

In the year ahead, we will be working to reach our current members and potential members in these areas in new and different ways. In fact, in early 2014 we will be offering educational seminars in Central Oregon and plan to open an office for our Investment Services team in Bend.

2013 was an exciting year for us and we look forward to the year ahead. On behalf of the Board of Directors, Management and each of our more than 280 employees, we would like to extend our most sincere appreciation for your continued trust and membership. It goes without saying that the past few years have brought some difficult times for many. Through it all, Oregon Community Credit Union has remained strong and safe, allowing us to continue providing our membership with the exceptional service we are known for. Our commitment is to be the anytime, anywhere solution for our members and to provide exceptional service with every interaction.

Thank you for your membership.



Abe Kossol, Board Chair



Mandy Jones, CEO

## PEOPLE HELPING PEOPLE

Credit unions have been serving people in the United States for more than 100 years based on the premise of people helping people. At OCCU, we believe in making investments in services and programs to help support our communities. This is an important benefit to your membership. In 2013, we contributed more than \$400,000 to community organizations and financial literacy programs. In addition, OCCU employees gave 2,769 volunteer hours to help strengthen the communities we share with our members.

## ANYTIME, ANYWHERE ACCESS

We strive to give our members choices and develop tools that allow you to do business with us the way you want. In 2013, we made enhancements to Internet Banking and MyOCCU Mobile and added even more on-the-go functionality with online account opening and remote deposit services. This is just the beginning for OCCU.

We continue to work on enhancements to our website like online chat, easier loan applications and new tools to help you explore all of your options when it is convenient for you. We're also working on redesigning our website so your experience is the best it can be, whether you are visiting us on a PC, tablet or smartphone. There are additional enhancements to Internet Banking, Bill Pay and MyOCCU Mobile on our roadmap, and each is being designed to help you find even more convenient ways to access your OCCU accounts.

*We encourage our members and the rest of the community to not leave their identity at the curb by sponsoring our Annual Shred Fest. Last year marked the 5th year for the event where, a total of 23.5 tons of paper was shredded.*





*The new Salem Service Center gave us the opportunity to offer a more convenient location for our members. We introduced new technology, such as ATMs with more features and functionality. In addition, this new location offers two well-lit, ATM's that are available 24 hours a day, 7 days a week.*



*OCCU sponsored the Backpacks for Back to School campaign in partnership with KEZI 9 News. During the campaign branches sold backpacks for a dollar. All proceeds were donated to the Brattain House (Springfield) and St. Vincent de Paul (Eugene) to fund school supplies for low-income children in Lane County.*

## FROM YOUR SUPERVISORY COMMITTEE

The Supervisory Committee is appointed by the Board of Directors from among the members of Oregon Community Credit Union. The Committee acts as our members' representative in monitoring operations of the Credit Union, making sure it is soundly managed.

The Committee ensures that an overall financial audit and verification of members' accounts are performed on an annual basis and that the Credit Union has adequate internal controls on their operational procedures to provide for the safety of the members' assets. The Committee reviews all audit steps, and reports any significant findings to the Board of Directors.

The annual financial audit and verification of members' accounts for 2013 were completed by the Certified Public Accounting firm Eide Bailly, LLP with an effective date of September 30, 2013. The formal opinion letter from Eide Bailly, LLP confirmed that the financial statements fairly represent the financial position of Oregon Community Credit Union.

In addition to the verification of members' accounts and annual financial audit, the Committee also reviews all other internal audits. During 2013, these internal audits were performed by the audit firm RSM

McGladrey, Inc. Credit Union Management continues to respond promptly to implement procedural changes to strengthen the Credit Union's operational soundness.

The Committee is also pleased to report that in 2013, the Credit Union hired a Director of Enterprise Risk Management to elevate Risk Management and Internal Audit activities, which enable us to more effectively perform our oversight duties. The support and cooperation from the Board of Directors, Management and staff is greatly appreciated.

Questions may be directed to any of the Supervisory Committee members: Jason Barber (Chair), Bruce Abrahamson, Rex Ballenger, Greg Nelson, Rick Varnum or Jeanine Wallace.

Jason Barber, Chair  
Supervisory Committee

## STATEMENT OF INCOME

As of 12/31/2013

Income from Loans	\$ 39,489,410
Income from Investments	\$ 993,224
Other Income	\$ 17,310,893
Gross Income	\$ 57,793,527
Less Operating Expenses	\$ -42,600,432
Income from Operations	\$ 15,193,095
Less Total Non-Operating Losses	\$ -1,808,948
Income before Dividends	\$ 13,384,147
Less Dividend and Interest Expense	\$ -6,540,083
<b>Net Income</b>	<b>\$ 6,844,064</b>

## STATEMENT OF FINANCIAL CONDITION

Assets	
Loans to Members (Net)	\$ 994,951,678
Cash on Hand	\$ 9,621,369
Cash on Deposit	\$ 101,135,231
Investments	\$ 40,474,449
Land and Building	\$ 12,223,427
Furniture and Equipment	\$ 3,456,579
Other Assets	\$ 19,805,974
<b>Total Assets</b>	<b>\$ 1,181,668,707</b>

Liabilities and Net Worth	
Notes Payable	\$ 0
Dividends and Other Liabilities	\$ 13,825,231
Total Notes, Dividends & Other Liabilities	\$ 13,825,231
Shares	\$ 457,961,471
Share Drafts	\$ 72,871,994
Money Market Accounts	\$ 322,248,851
Certificate and IRA Accounts	\$ 217,563,923
Total Member Share Accounts	\$ 1,070,646,239
Total Net Worth	\$ 97,197,237
<b>Total Liabilities and Equity</b>	<b>\$ 1,181,668,707</b>

## QUICK FACTS

Total Members	111,494
Investment Services* Assets Under Management	\$ 214 million
Real Estate Loan Production	\$ 152 million
Consumer Loan Production	\$ 350 million
Home Equity Loan Production	\$ 10.6 million
Employee/Member Giving	\$ 58,920

\*Investment Services offered by LPL Financial Services, member FINRA/SIPC.





#### **Board of Directors**

Abe Kossol, *Chair*  
 Bev Anderson, *Vice Chair*  
 Genevieve Parker, *Secretary*  
 Jeremy Green  
 K.C. Huffman  
 Tom Larson  
 Doug Wilkinson  
 Mandy Jones, *CEO, Treasurer*

#### **Associate Board Members**

Bill Inge  
 Jeanine Wallace

#### **Emeritus Board Members**

Truman Baird  
 Don Moon Lee

#### **Supervisory Committee**

Jason Barber, *Chair*  
 Bruce Abrahamson  
 Rex Ballenger  
 Greg Nelson  
 Rick Varnum  
 Jeanine Wallace

#### **Executive Team**

Mandy Jones, *Chief Executive Officer*  
 Ron Neumann, *Chief Financial Officer*  
 Jerry Liudahl, *Chief Credit Officer*  
 Deborah Mersino, *Chief Marketing Officer*  
 Darrell Stark, *Chief Retail Officer*  
 Richard Dwyer, *Vice President, Investments and Insurance*  
 Sherrie Herndon, *Vice President, Enterprise Project Management Office*  
 Angela Peacor, *Vice President, Human Resources and Organizational Development*

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Federally Insured by NCUA