

2010 • ANNUAL • REPORT



California Bear
CREDIT UNION
YOU CAN BANK ON THE BEAR™



Chairman & President's Report

"Coming together is a beginning. Keeping together is progress. Working together is success."

- Henry Ford

Henry Ford's words ring true no matter which era it is or what errand is at-hand. And while it's no secret that the economy has been challenging for individuals and business nationwide, Cal Bear continues to move forward by working together ... with our members, for our members.

2010 was a year of change for Cal Bear, the state and our members. As the recession eased California still faced budget woes, higher-than-average unemployment and the uncertainty of a new governor taking office at the end of the year. Despite furloughs and contract negotiations that asked state employees for wage and retirement concessions, our members continued to look to Cal Bear for financial products to serve their needs. We responded with payroll loans, payment saver programs, higher-than-market savings rates and a FREE checking account "that pays YOU" to use it each month. Rest assured that we will continue to provide members with creative solutions to meet their financial needs as part of our continued commitment to the credit union movement's guiding principle of "people helping people."

Though the recession began to ease last year, there were still challenges in our national and state economies that affected our members and the credit union industry as a whole. Because the credit union industry is self insured, 2010 brought assessments from the National Credit Union Administration, our regulator, to help keep the credit union industry properly insured without the use of federal funds like Wells Fargo®, Bank of America® and Citibank®.

Our "capital" is our savings account and enables us to weather through economic times. We continued to have loan losses caused by the recession and by reduced wages experienced by our members due to the state furloughs. However, our loan losses and delinquency were down significantly from 2009, and paired with tight expense controls, we are proud to say that Cal Bear had a positive net income last year and increased our capital ratio to more than 6.50%.

Cal Bear is a not-for-profit cooperative, we don't answer to Wall Street, but we do answer to federal regulators. And, there are some proposed regulations in the Dodd-Frank Wall Street reform act that pose significant threats to the earnings of all financial institutions including credit unions in the coming year. We will do our best to minimize the impact of these regulations on our quality of service, and the types of products and services we provide.

One of our primary goals over the next year is to continue to return our earnings to our members and to "add" value to their credit union membership. We are committed to streamlining our front line processes to reduce wait time, be more eco-friendly and allow us to spend more time learning about each member's financial needs. We plan to add more member education and collateral products in conjunction with industry partners such as estate planning, identity theft prevention and insurance/investment products to provide you with more low-cost high quality financial services. Our goal is to have not just members, but "fully-participating members" who use multiple products and services and who truly find value in their credit union membership.



Robert York
President/CEO



N. Gregory Taylor
Chairman, Board of Directors

Credit Manager's Report

Our members continued to face significant financial challenges this year. State furloughs and unemployment have reduced household incomes. A rapid decrease in home values has slowed mortgage lending or refinancing opportunities. The sluggish economy has put additional strain on the financial resources of our members. As a result, Cal Bear dealt with slow loan volume throughout the year.

We continued to see an increase in the number of members who wanted to refinance their existing auto and credit card loans in 2010. And we believe that this trend will continue into 2011.

During 2010, the credit union continued to experience larger than normal loan losses related to business as well as participation loans. However, our members are working with us to repay their debts and our success is showing. As a result, member loan delinquency and loan losses dropped dramatically in 2010 and is very low when compared to the credit union industry as a whole.

We continued to work with our members to lower their debt, strengthen their credit and achieve the best value for their loan needs. Throughout 2010, the credit union offered special auto loan refinance programs to lower members' existing auto loan payments at other financial institutions. Our credit card rates remain very low to help members consolidate debt.

Our goal in 2011 is to continue to proactively "tell" you about the products and services we offer that can help you through these tough economic times. We will continue to provide you with the excellent member service that you have become accustomed to expect at California Bear Credit Union.



Tony Gonzalez,
Vice President of Service and Sales

Supervisory Committee Report

The Supervisory Committee has the fiduciary duty to ensure that the financial records of California Bear Credit Union accurately reflect the financial state of the credit union and are in order. The committee meets on a regular basis to review the financial statements of the credit union and hires an independent auditor to examine the financial statements of the credit union.

In 2010, the Supervisory Committee retained the services of Turner, Warner, Hwang & Conrad, CPAs to perform the annual audit. The results of the audit confirmed that Cal Bear's financial records are maintained in accordance with the rules and regulations of the National Credit Union Administration (NCUA), California Department of Financial Institutions and Generally Accepted Accounting Principles (GAAP). The results of the audit confirmed that Cal Bear continues to be safe and financially sound. The audit also confirmed that the \$250,000 in deposit insurance per account provided by the NCUA is enough to ensure the safety of our member deposits. The Supervisory Committee will continue to review the financial statements and oversee the annual audit of the credit union in the coming year.



Max Turchen, Supervisory Committee Chairman

Consolidated Statement of Financial Condition as of Dec. 31, 2010 (unaudited)

ASSETS

Cash	\$	467,678
Investments	\$	38,681,323
Loans Receivable, Net	\$	53,003,596
Member Share Insurance Deposit	\$	936,592
Fixed Assets	\$	893,935
Other Assets	\$	10,995,898
TOTAL ASSETS	\$	104,979,022

LIABILITIES & MEMBERS' EQUITY

LIABILITIES

Accounts Payable & Other		
Accrued Liabilities	\$	1,160,355
TOTAL LIABILITIES	\$	1,160,355

MEMBERS' EQUITY

Members' Shares	\$	96,955,545
Regular Reserves	\$	3,456,323
Undivided Earnings	\$	3,399,958
Unrealized Gains/(Losses) on AFS Investments	\$	6,841
TOTAL MEMBERS' EQUITY	\$	103,818,667

TOTAL LIABILITIES & MEMBERS' EQUITY

\$ 104,979,022

2010 Volunteers

Board of Directors:

N. Gregory Taylor, Chairman
Harold H. Entz, Vice Chairman
Theodosia Walker, Secretary
Nick Christopoulos, Director
Merle Demroff, Director
Sherman Grancell, Director
Michael D. Miles, Director
Vito Modugno, Director
Robert Sassaman, Director

Supervisory Committee:

Max Turchen, Chairman
Elisa Wolfe-Donato, Member
K. Don Drachand, Member
Alan Hager, Member
William Yates, Member
Marta Zaragosa, Member
David Zitch, Member

Contact Us

Branch Locations

Spring St. Branch

(Ronald Reagan State Building)
300 S. Spring Street #1215
Los Angeles, CA 90013

Main Street Branch

(Cal Trans District 7 Building)
100 S. Main Street #110
Los Angeles, CA 90012

Branch Office Hours

8:00 a.m. - 4:30 p.m. - Monday,
Wednesday, Thursday & Friday
9:00 a.m. - 4:30 p.m. - Tuesday

800-954-2327 calbearcu.org



California Bear
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Federally Insured by NCUA



EQUAL HOUSING
LENDER