

— **DOWNEY** —
WHERE OUR *heart* IS



ANNUAL REPORT 2015

CEO and CHAIRMAN'S letter

Downey — where our heart is.

By all measures, 2015 was a year of progress at Downey Federal Credit Union (DFCU), in terms of excellent growth, and service to our members and the community. It was also a year of giving back, as DFCU donated over 41,000 meals to those in need in Downey, supported the city and its special programs and schools by giving back over \$60,000, and racked up thousands of volunteer hours by DFCU staff. Thanks to your participation with our loan products and account services, we continue to grow, which allows us to keep offering more of the tools you need to reach your financial goals!

We implemented numerous features to make banking with us even more convenient, continued to be dedicated to community involvement, and all the while, increased in assets, loans, and deposits.

Your Credit Union joined the national Shared Branch network, where DFCU members are able to access and transact on their accounts at over 5,000 participating credit union locations. With the addition of these branches, coupled with the 30,000 CO-OP nationwide network of ATMs that we are part of, you can access your account from almost any US city! Other improvements included adding Saturday branch hours and increased staffing to serve you better; the upgrading of our ATM to a deposit-taking ATM at PIH Health Hospital-Downey; a redesigned, responsive website, making it easier to view and navigate through no matter what electronic or mobile device you are using; and a drive-thru ATM, offering you the ultimate in convenience and access to your account, without even getting out of your vehicle!

Our employees continued to serve the needs of the community and local organizations through education, volunteerism and fundraising. From hosting the 1st Annual Science Technology Engineering Art & Mathematics (STEAM) Festival in our parking lot and financial educational lessons in DUSD classrooms, to student scholarships and grants for teachers, the education of our children remained one of our top priorities. DFCU was also a major sponsor of the Special Olympics and Downey's Relay for Life this past summer, while still raising money for more local non-profits, like TLC, The Arc, Gangs Out of Downey, SEAACA, PTA HELPS, and more. And last but not least, was the success of our 2nd Annual Food Packing Event – DFCU Cares, which brought in almost 300 volunteers from all over the city, culminating in a night where we packed 41,184 meals, all distributed to families in Downey.

In 2015, our Total Asset Size increased to \$194.0 million, an impressive 4.5% growth from 2014. Overall Loan Volume increased by 11.5% – to \$81.9 million. Deposits grew to \$169.3 million, 4% more than last year's deposits. This is evidence that you have placed your trust in a financially strong and stable Credit Union, with a staff that is dedicated to the financial well-being of its members. We encourage you to read over the financials contained in this annual report for details of our successes this past year.

As we move into 2016, there are further enhancement plans so that DFCU can be your go-to financial institution. Projects this year include the release of a Mobile Banking App with multiple features, including remote deposit capture; instant decisioning and eSignature capabilities, so you can apply and get approved for a loan even when we are closed; the addition of other ATMs strategically placed in high-traffic areas of Downey for additional convenience; a more robust Call Center, so you can talk to a live person when needed; and the introduction of chip credit and debit cards, for more enhanced security. Finally, to gauge your satisfaction with our service and your overall experience with DFCU, we have implemented member surveys for various encounters with us. We encourage you to give us your feedback at all times – we love hearing from our members, as this is the best way to make improvements. After all, this is YOUR Credit Union.

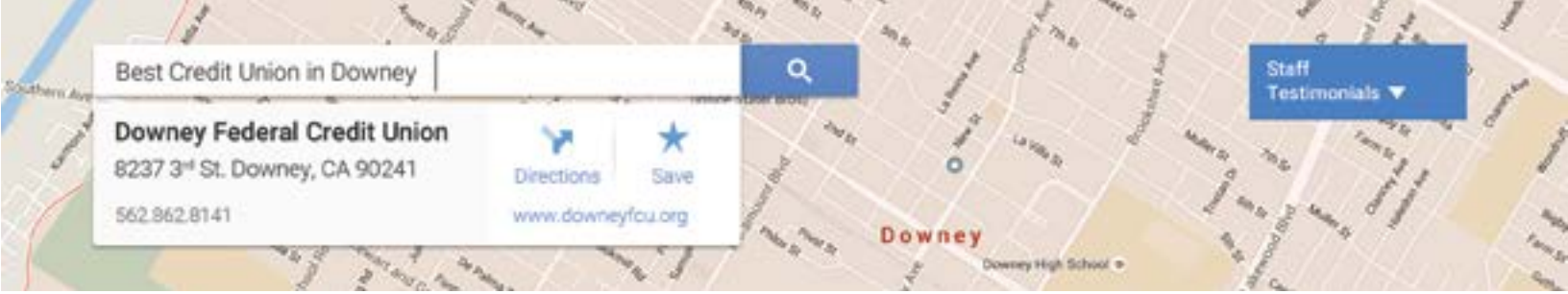
On behalf of the Board of Directors, Supervisory Committee, Management and Staff, **thank you** for placing your trust in DFCU as a financial and community partner. We are the only financial institution exclusively serving those who live, work, worship, and attend school in our city, so we consider Downey our home like it is yours. Our heart belongs to Downey! We cannot wait to see what 2016 brings, and what else we can do to support our city.



RAY MESLER
CEO/President



STAN HANSTAD
Chairman of the Board



Best Credit Union in Downey

Downey Federal Credit Union
 8237 3rd St. Downey, CA 90241
 562.862.8141

Directions Save
www.downeyfcu.org

Staff Testimonials ▾



PETER HERNANDEZ
 DFCU employee for 17+ years
 Downey area resident 3+ years

"I began working at DFCU 17 years ago as a teller, and then moved up in the ranks to a Department Supervisor. One of the things I enjoyed most about that position was the ability to go out into the community, where we would make financial education presentations. It was always a great thing to see that "light bulb" come on in someone when they get what a difference the Credit Union can make in their financial lives. I moved to the area because of its schools, and to give my daughter the opportunity for a great education. She attends Doty Middle School and thrives in drama. She cannot wait to go to Downey High School! Go Vikings!"



ADELLE CASTALLON
 DFCU employee for 10 years
 Downey resident for 11+ years

"Downey is my hometown... We moved here when I was in 4th grade, I'm a proud Warren High alumnus, my family went to church at St. Raymond's and I even ended up getting married there! Even after moving away, I ended up right back in Downey for work. I am so happy to be working for a place that supports and encourages volunteerism for local charities like The ARC, TLC, SEAACA, GOOD, Relay for Life and more! And I even serve on the Board for the Downey Chamber of Commerce. My dad still lives in Downey and the house that we grew up in will always be that - home. Like I said, Downey is my hometown."



SHEILA TETANGCO-BARTOLONE
 DFCU employee for 2 years
 Lived in Downey for 19+ years

"Our family moved to Downey almost 16 years ago. My sons were born in Downey and graduated from Downey High School. I have been a member of DFCU for over 28 years, and an employee since 2005. DFCU is the best job I've ever had. I'm so glad to work for a company whose mission is to help the community. My family and I are continuously inspired to volunteer in community events like Keep Downey Beautiful, the Pumpkin Patch, the International Food Festival, and the Downey Christmas Parade. We are determined to make our city a better place."



MICHELLE FRASE
 DFCU employee for 19 years
 Downey resident 16+ years

"I'm celebrating my 11th year as a Downey resident and my 10th anniversary working for DFCU. I live within walking distance of work, and have everything I need near me! I work with amazing people and often volunteer at DFCU hosted and community events. I always brag about how great it is to live here and how the city is growing and adding new restaurants, retail stores, and all the amenities I could ever need. I look forward to many more years as a Downey resident and as a DFCU employee."



MICHELLE ANDERSON
 DFCU employee for 30 years
 Downey Resident for 30+ years

"I moved to Downey in 1985 after I got married. I've worked for DFCU since 1986, and have experienced the growth and evolution of it from a "small town" Credit Union, to one that fully supports the community. What an honor it has been to be a part of something wonderful for over 30 years! My 3 sons all went to and graduated from DUSD schools, and this is the only place they have ever lived. Downey is a wonderful place to live and work, and has grown to offer its residents so much. Downey will always be home."



ANDRES ESPARZA
 DFCU Intern 2015
 Downey resident since birth

"I have lived in the beautiful city of Downey my entire life, attending Maude Price Elementary, Griffiths Middle School and graduating from Warren High School this year. Whether it be helping the community develop through organizations like Stay Gallery, leading students as a Senior Representative in Warren's ASB, or simply spending time with my friends and family at the Downey Farmer's Market on Saturday mornings, I am in love with all this city has done for my life. Being a part of DFCU has allowed me to further encourage future generations to volunteer in the community and spread the joy that Downey holds."



MAGGIE GUTIERREZ-CAMPOS
 DFCU employee for 12 years
 Downey resident 15+ years

"I have been living in Downey my whole life! My siblings and I all attended Downey Unified Schools - from Unsworth to Griffiths, and then graduating from Warren. I love Downey! From the community events to the countless service organizations throughout the city - there is always so much going on and so much to be involved in! I have been so fortunate to work and volunteer with so many inspiring people, who I am lucky enough to call friends. Downey has helped shape the person I have become, and I will continue to serve my city in all the ways that I can. An amazing education, a sense of community, and lifelong friendships. Downey has given me all of this and more! My past, present and future are in Downey - I am here to stay!"



EMELY LOPEZ
 DFCU employee for 2 years
 Downey resident since birth
 Miss Downey 2016

"We moved here in 2001 knowing that DUSD had several distinguished schools. Both my kids had a great education. We found Cornerstone Christian Worship Center, a church we still love to attend! I feel blessed to have found a local job as well, having worked for DFCU since 2004. I'm fortunate to work with a caring team and a company that supports local charities and gives back to the community. I live, work, and worship in Downey - the city that has everything!"

STATEMENT OF FINANCIAL CONDITION

Assets	2015
Loans (net)	\$81,594,211
Investments	\$108,436,887
Other Assets	\$3,556,483
Land and Building	\$316,958
Fixed Assets	\$133,413
TOTAL ASSETS	\$ 194,037,952

Liabilities and Equity	2015
Members' Shares and Certificates	\$ 169,287,950
Reserves and Undivided Earnings	\$22,859,043
Other Liabilities	\$1,890,959
TOTAL LIABILITIES AND EQUITY	\$ 194,037,952

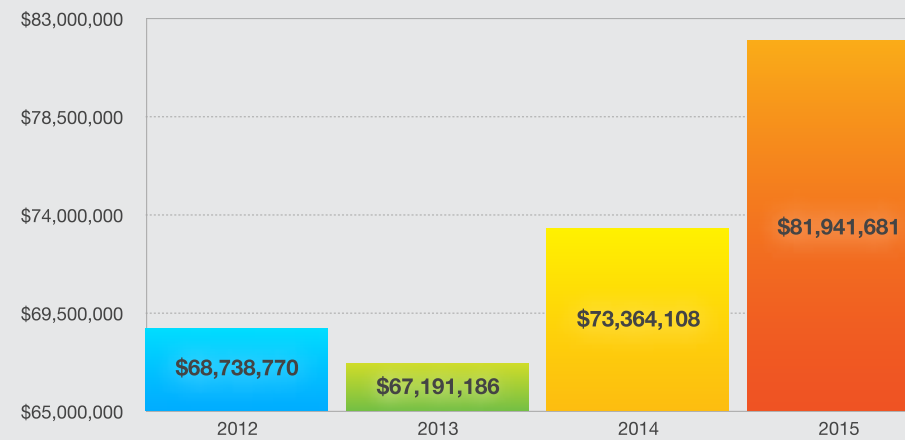
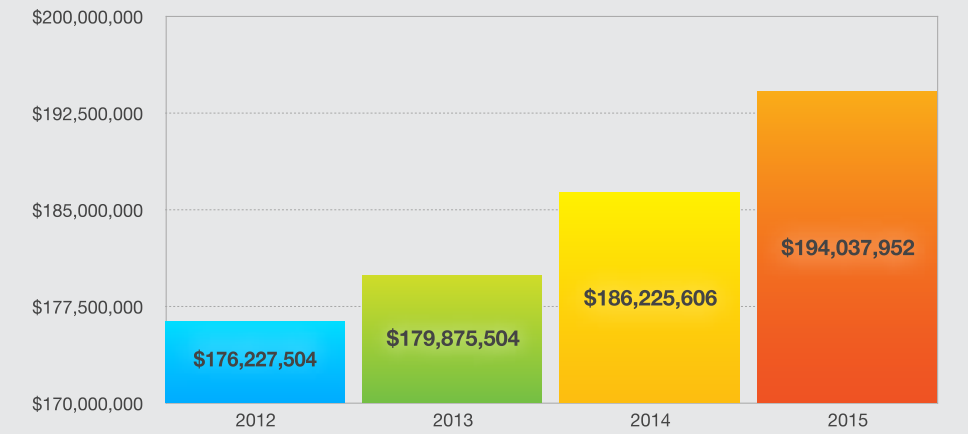
STATEMENT OF INCOME AND EXPENSE

Income	2015
Interest on Loans	\$3,902,650
Income from Investments	\$1,129,121
Miscellaneous Income	\$1,102,387
TOTAL OPERATING INCOME	\$ 6,134,158

Expenses	2015
Personnel	\$2,355,024
Office Operations	\$1,369,680
Professional/Outside Services	\$397,964
Provision for Loan Losses	\$146,000
Education/Promotion	\$197,397
Other Expense	\$139,339
Non-Operating Expense	-
TOTAL EXPENSES	\$ 4,605,404
NET INCOME BEFORE DIVIDENDS	\$ 1,528,754
DIVIDENDS	\$ 662,591
NET INCOME	\$ 866,163

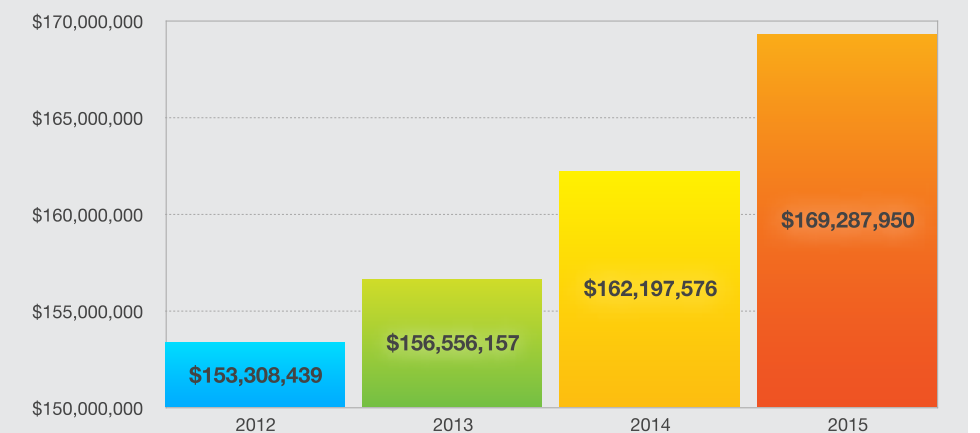
*Year Ended December 31, 2015. Unaudited numbers listed.

Asset Growth

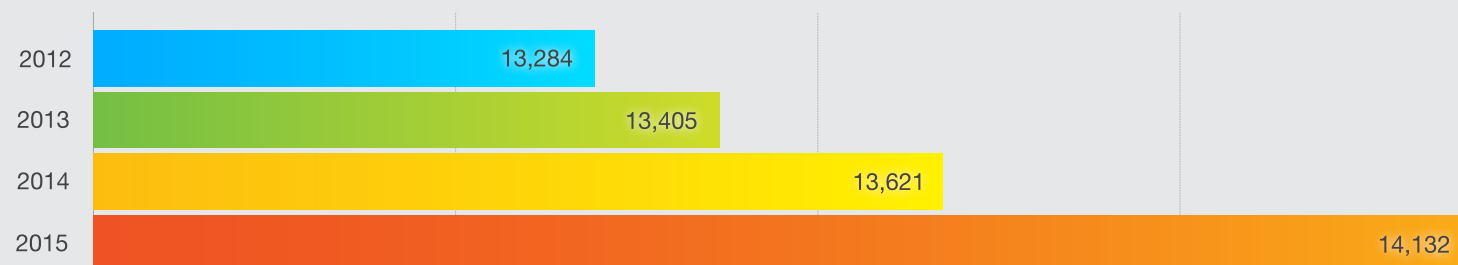


Loan Growth

Share Growth

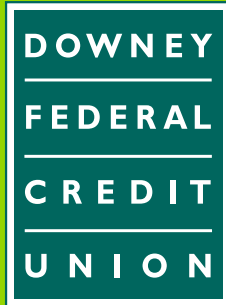


Membership Growth



Net Worth





Downey Federal Credit Union
8237 3rd Street, Downey, CA 90241

562.862.8141
www.downeyfcu.org

DFCU Board Members

Stan Hanstad (Chairman)
Robert J. Becker
Dr. Brian Brown
Laura Kramer
Raul Lopez
Ed Potter
Brian Saylors

DFCU Supervisory Committee

Ray Brown
Giovanna Saab
Bobbie Samperi

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