

STATEMENT OF FINANCIAL CONDITION

Period Ending December 31, 2020

ASSETS	
Loans	22,406,006
Allowance for Loan Loss	(169,383)
Cash	2,194,827
Investments	57,840,000
Fixed Assets (Net)	624,082
NCUSIF	705,443
Other Assets	625,074
TOTAL ASSETS	\$84,226,050

LIABILITIES & NET WORTH	
Accounts Payable	42,666
Other Liabilities	296
Member Share Accounts	151,185
Member Certificates	72,470,285
Regular Reserve	4,300,987
Undivided Earnings	1,898,319
TOTAL LIABILITIES & NET WORTH	\$5,362,313

CONTACT

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STATEMENT OF INCOME & EXPENSE

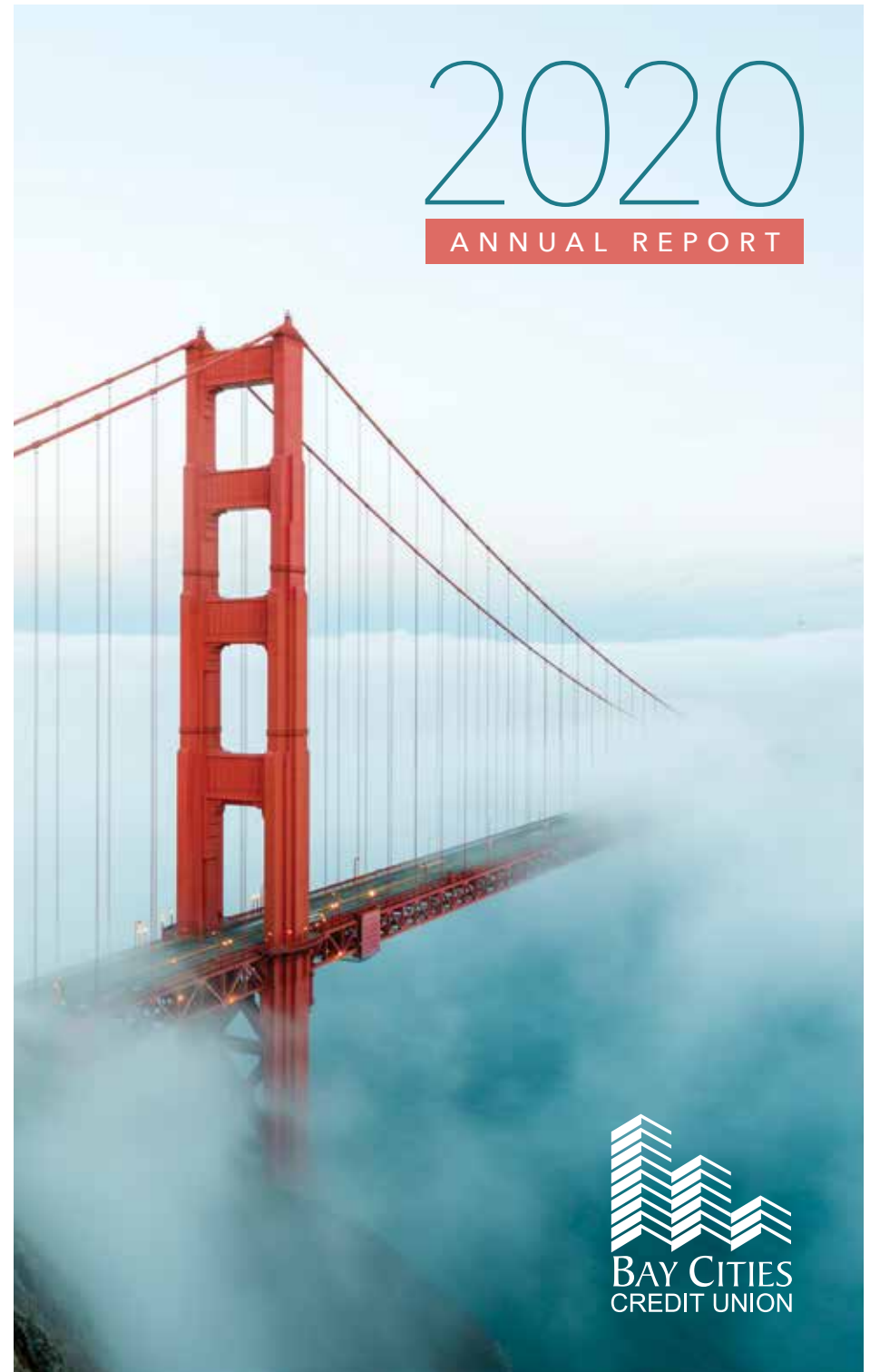
Period Ending December 31, 2020

INCOME	
Interest on Loans	1,574,711
Income from Investments	699,316
Fee Income	291,297
Other Income	431,596
TOTAL INCOME	\$2,996,919

OPERATING EXPENSES	
Salaries & Benefits	1,362,295
Training & Conference	5,138
Association Dues	11,277
Office Occupancy	204,037
Office Operations	1,011,786
Advertising	70,948
Loan Servicing	54,863
Professional/Outside Services	214,177
Operating Fee	12,015
Annual Meeting	4,399
Miscellaneous	12,379
OPERATING EXPENSES	\$2,963,312
Provision for Loan Loss	(99,100)
TOTAL OPERATING EXPENSES	\$2,864,212
Dividend Expense	12,753
Non-Operating Gain/Loss	(3,367)
NET INCOME	\$116,588

2020

ANNUAL REPORT



PRESIDENT'S REPORT

As for many of us, describing the year that was 2020 is no easy feat. To say 2020 was a whirlwind is an understatement, as we faced challenge after challenge and many unprecedented events. However, despite it all, all of us at Bay Cities Credit Union are proud to say we persevered through the epidemic that was - and is - COVID-19. Sadly, not all businesses and credit unions can say the same, and we do not take this accomplishment lightly.

Throughout the entire pandemic, we have remained open, due in no small part to the implementation of proper safety measures and the diligence of our staff. I cannot thank our staff enough. They are the backbone behind our institution and over the past year persisted under the most extraordinary of circumstances, all while doing so with care, determination and grace. Bay Cities Credit Union is still here providing our members with the best services even under the most unfortunate of circumstances.



Due to the effects of COVID-19, we did see an effect on the volume of calls and wait times at our off-site call center. This impact is not surprising, and rest assured we are doing our best to rectify the problem. Additionally, our Friday hours were revised to 9 AM - 5 PM due to COVID regulations in an effort to limit contact and exposure. These revised hours are currently still in place and will continue to be until further notice.

If you're like me, I'm sure you are tired of hearing about COVID-19, so it is here that I will transition to a more positive, yet nonetheless impactful, occurrence that took place at our institution this past year. In 2020, we achieved the completion of our two-year-long system infrastructure upgrade. This new core system not only enhanced the security of our member database but improved our operational efficiency, all to better serve you - our members. As we reached the grand finale of our two-year core conversion process, we have been proud to say the upgrade was a seamless change for members and reduced IT staffing costs due to the new automation of the system. Bay Cities Credit Union is also now better equipped for major disasters due to the new cloud-based system, ultimately improving overall business continuity.

At Bay Cities Credit Union, we cannot thank our members enough for sticking with us through the rollercoaster that was the year 2020, and we are excited to see where the future takes us. I am filled with gratitude by the love and support we have received this year and that we've been able to provide to you - our members.

Wishing you continued health and safety,

Robert JP Maginnis
President, Board of Directors

SUPERVISORY COMMITTEE'S REPORT

The main responsibilities of Bay Cities Credit Union's Supervisory Committee are to retain services for an annual examination of the financial condition of the Credit Union, coordinate the verification of member accounts, monitor the review of internal controls and ensure compliance with laws and regulations. Through these roles, the Supervisory Committee evaluates the soundness of Bay Cities Credit Union's operations and helps ensure that members' assets are safeguarded.



To help accomplish these important tasks, the Supervisory Committee engaged the accounting firm of Turner, Warren, Hwang and Conrad (TWHC) to perform a certified audit in accordance with regulatory requirements. Their audit results, along with the 2020 audit completed by the Department of Business Oversight (DBO) and the National Credit Union Administration (NCUA), indicate that Bay Cities Credit Union has kept accurate and timely accounting records, is in compliance with laws and regulations and is being managed in a safe and sound manner. Based upon the information gathered from these external audits, as well as our own internal audits to verify that controls are effectively maintained and adequately protect members, volunteers, management and staff, it is the Supervisory Committee's opinion that the Credit Union is financially sound, and the interests of its member-owners are being well-served.

The Supervisory Committee would like to thank Bay Cities Credit Union's management, staff, Board of Directors and members for their assistance and cooperation throughout 2020.

Stacy Murphy
Chairman, Supervisory Committee

