

## PRESIDENT'S LETTER

Back in 1958, the credit union started with just 10 members who together deposited \$104 to form a credit union that would later become CommonWealth Central Credit Union. In 2017, we achieved a key milestone by reaching \$500 Million in assets for the first time in our history. Because of your membership and loyalty over the years, we have been able to help more members achieve their financial goals. Our continued success has also allowed us to give back and make a meaningful impact in our local communities.

CommonWealth also experienced strong financial performance once again in 2017, increasing assets by over \$24 million to \$503 million at year-end. In addition, the loan portfolio grew by over \$31 million and share balances grew by \$21 million. Net Income of \$2.8 million was added to reserves helping the net worth to asset ratio remain strong at 9.49% in 2017. We also performed very well earning high ratings in annual regulatory and CPA financial statement audits. These financial results reflect the positive impact we have on our members and our community.

CommonWealth employees play a key role in the organization's success and helping our members reach their financial goals. In 2017, a number of initiatives were implemented with employees in mind. First, the credit union underwent a branding project to help unite and inspire employees around a defined common purpose—to improve the financial well-being of our members and communities. To help our employees provide exceptional experiences to our members, a new, internal knowledge-based system was also launched. Employees are able to search for important information and find answers instantly in order to serve members quickly and efficiently.

Changes in technology and security remained a top priority throughout the year. All plastic cards were converted to EMV chip cards to provide an added layer of security to our cardholders.

We also converted to a new Bill Pay system in May, which provides a more user friendly interface for members as well as exciting new features like PopMoney. We also made a selection for a new state-of-the-art Online Banking to be launched in the Summer of 2018. Additionally, network and data center upgrades were made to ensure the safety and security of our systems, servers and data.

CommonWealth's community involvement remained a priority in 2017. Through volunteering and providing direct financial support, CommonWealth also supported a number of local non-profit organizations such as Turning Wheels for Kids, Rebuilding Together Silicon Valley, and Cecelia's Closet. Our educational scholarship program continued to expand as the credit union awarded 18 scholarships to local high school seniors in 2017. In addition, we participated in special events at local schools such as Career Days, Rock the Mock and Read Across America Day. We were also very honored to have been named Best Bank/Credit Union in Morgan Hill by the Morgan Hill Times, and Large Business of the Year by the Morgan Hill Chamber of Commerce for our efforts and commitment to the Morgan Hill community.

Thank you for your support and membership, and we look forward to serving your financial needs now and in the future. As we embark upon our 60th year, we are committed to being a trusted resource for your financial well-being as well as an active and supportive participant in our local communities.

Sincerely,



Craig Weber  
President/CEO

## BOARD OF DIRECTORS

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Vice Chairman

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## SUPERVISORY COMMITTEE

**Albert Balagso**  
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**David Hook**  
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## SENIOR MANAGEMENT TEAM

**Craig Weber**  
President/CEO

**Viktoria Earle**  
Vice President of Finance/CFO

**Sam Tuohey**  
Chief Operating Officer

**Lisa Brown**  
Vice President of Human Resources  
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of Human Resources

**Beth Nguyen**  
Assistant Vice President  
of Sales and Service

**Eilish Perry**  
Director of Compliance

We are dedicated to improving  
the financial well-being of our  
members and communities.  
Their success is our passion.



ANNUAL REPORT 2017



# HIGHLIGHTS OF 2017

## Supporting Our Schools & Financial Education

In 2017, CommonWealth provided support to our local schools in a variety of ways and CommonWealth employees volunteered for several events. Rock the Mock is an event where mock interviews are held for high school students to prepare them for college and job opportunities. Several employees attended those events and facilitated the mock interviews. We've also attended career day events where we were able to provide insights on different career paths in financial services and in specific job functions. In addition, Read Across America Day is near and dear to our hearts—CommonWealth employees welcome the opportunity to go out and read to elementary school students to underscore the importance of reading on Dr. Seuss' birthday.

Educational scholarships have been a part of CommonWealth's annual giving programs for many years. However, in recent years, we increased our efforts with our scholarship program to help high school seniors meet their educational goals. Our program considers how students volunteer and make an impact in their local community. In 2017, we awarded 18 educational scholarships to deserving high school seniors. We are proud to honor these amazing students for making a difference while achieving their educational goals.

Because we are dedicated to the financial well-being of our members and communities, we also launched a new online financial education program in 2017. WealthMatters, our program for adult financial education, offers an interactive learning experience that provides financial tools and tips to help put our members on the path to financial success. CommonCents, our program for youth financial education, makes learning about money fun and provides simple financial tools and games for young people to learn about managing their money. Visit [wealthcu.org/wealthmatters](http://wealthcu.org/wealthmatters) and [wealthcu.org/commoncents](http://wealthcu.org/commoncents) to learn more about these exciting programs.

## In The Community...

Supporting our local communities continues to be an important part of CommonWealth's purpose and culture. Through volunteer and community efforts, we have participated in or sponsored over 50 local events. In addition, over 70% of employees at CommonWealth have volunteered for various events throughout Santa Clara County.

Throughout the year, you may have seen us at a variety of local community events—from passing out sunglasses and light-up bracelets at Morgan Hill's Friday Night Music Series to pouring beer & wine at a local festivals like Campbell's Boogie on the Avenue and the Milpitas International BBQ. Of course, our community efforts would not be complete without our parade participation in Morgan Hill's 4th of July Freedom Fest and their Kiwanis Club Holiday Lights Parade.

We provided sponsorships to many local schools and community organizations in support of their fundraising efforts in our communities. We also hosted a variety of charitable giving drives at our branches and corporate office where we collected non-perishable foods, backpacks, school supplies, socks, and other children's essentials for local organizations like Second Harvest Food Bank and Cecelia's Closet.

In 2017, we continued to strengthen relationships with local organizations like Rebuilding Together Silicon Valley, TurningWheels For Kids, and The Sharks Foundation. Through these partnerships we were able to help with painting and repairing homes for elderly and disabled homeowners, build 2,500 bikes for children in Santa Clara County and assist with local park clean-up.

We are your neighbor. We are a part of your community. We live here, work here, and volunteer here too.

# Passionate



Read Across America Day



Financial Education



Scholarship Program



Scholarship Program



Food Bank



Rebuilding Together



Holiday Lights Parade



Big Bike Build

## COMMONWEALTH INVOLVEMENT BY THE NUMBERS



## 2017 FINANCIAL PERFORMANCE

### Statement of Financial Condition 2017

Assets	
Cash	\$5,825,806
Investments	112,935,587
Total Loans	351,887,786
Allowances for Loan Losses	(2,143,194)
Other Assets	34,590,748

**Total Assets \$503,086,733**

### Liabilities & Equity

Other Liabilities	\$6,300,534
Total Member Shares	449,195,352
Capital	47,590,847

**Total Liabilities and Equity \$503,086,733**

### Statement of Operations 2017

Total Income	\$20,670,108
Total Operating Expenses	(16,386,548)
Provision for Loan Losses	(1,092,474)
Cost of Funds	(425,392)

**Net Income \$2,765,694**

Unaudited. Audited financial statements are available upon request by calling (800) 564-1588.