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Annual Report

Letter From The Chair & CEO

On behalf of our dedicated employees and volunteers, it is a great pleasure to present our 2022 Annual Report. This was a busy year for us in terms of our “digital evolution.” Our first technology project for our members came to fruition with the rollout of contactless and digital debit and credit cards in April. That was followed by a new online loan application process in the summer and a new home banking platform in the fall. The investment in technology projects will continue into 2023 and beyond as we work to create a seamless experience for your relationship with Chaffey FCU.

One of the largest projects we undertook in 2022 was the relocation of our Rancho Cucamonga branch. The new location on Foothill Boulevard is more convenient to many of our members, provides an open floor plan, and is easier to locate. The response from the membership regarding the new location has been positive, and our staff loves the layout and design of their new home.

Many individuals experienced some trepidation as interest rates began to rise in March and looked to Chaffey FCU to help navigate an uncertain period for borrowers. During 2022, we funded over \$23 million in vehicle loans, not just for vehicle purchases, but also for debt consolidation. Members were able to take advantage of vehicle values and lower interest rates than a traditional consolidation loan would merit, putting extra money in their pocket to help manage monthly expenses as inflation caused everyday prices to increase. The Chaffey FCU real estate department opened over \$10 million in home equity lines of credit (HELOCs) as members took advantage of equity in their homes for consolidation as well as home improvement. The Board of Directors and management of the credit union works hard to fairly price all of our products and services to allow all members to maximize the value of their membership.

Chaffey FCU has a commitment to giving back to the communities that we serve. One of our core commitments is providing financial literacy opportunities to local high school students. In 2022, we reached over 3,000 high school seniors through Bite of Reality® simulations at Etiwanda, Alta Loma, and Upland High Schools, to name a few. Additionally, we donated \$5,500 to the Chaffey Joint Union High School District’s Campus Safety Officers scholarship fund, and \$5,600 to the Chaffey College Foundation’s “Fund a Dream” program. An additional \$15,000 was donated to various community groups for everything from local businesses’ staff appreciation events, to toy drives, to holiday shopping events for young children. These efforts are made possible by the membership of the credit union, and we are proud to be able to participate in these opportunities.

As we move forward into 2023, we are keeping the membership at the forefront of our decisions. We truly value the trust that has been put in Chaffey FCU for nearly 60 years, and we look forward to continuing our commitment to you and to our communities.

Thank you for your membership!



Don Bertucci
Chairman of the Board



Diane Kotlewski
Chief Executive Officer

2022 Financial Report **as of December 31, 2022*

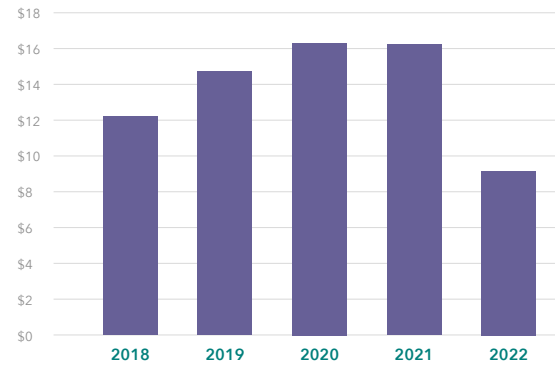
Statement of Financial Condition

| ASSETS | 2022 | 2021 |
|---------------------------------------|----------------------|----------------------|
| Loans to Members | \$119,265,535 | \$108,606,303 |
| Investments | \$73,934,386 | \$91,103,463 |
| Building | \$2,447,903 | \$2,491,616 |
| Other Assets | \$15,690,071 | \$18,063,016 |
| Total Assets | \$211,337,895 | \$220,264,398 |
| LIABILITIES | 2022 | 2021 |
| Other Liabilities | \$4,185,354 | \$1,387,050 |
| Dividends Payable | \$184,229 | \$183,581 |
| Members' Shares | \$198,015,768 | \$202,925,342 |
| Total Liabilities | \$202,385,351 | \$204,495,973 |
| EQUITY | 2022 | 2021 |
| Undivided Earnings | \$16,702,423 | \$14,817,549 |
| Reserves | \$1,247,537 | \$1,247,537 |
| Other Comprehensive Income | (\$8,997,416) | (\$296,661) |
| Total Equity | \$8,952,544 | \$15,768,425 |
| Total Liabilities & Equity | \$211,337,895 | \$220,264,398 |

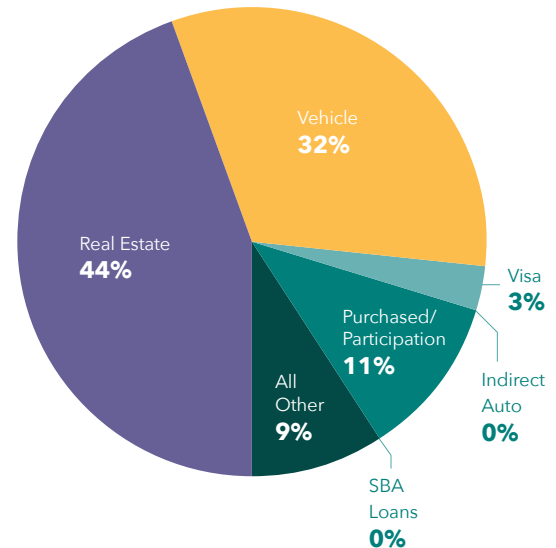
Statement of Income

| INCOME | 2022 | 2021 |
|--|--------------------|--------------------|
| Interest on Loans | \$4,702,554 | \$4,284,753 |
| Interest on Investments | \$1,324,345 | \$805,504 |
| Misc. Income | \$2,063,483 | \$2,226,505 |
| Total Income | \$8,090,382 | \$7,316,762 |
| EXPENSES | 2022 | 2021 |
| Dividends to Members | \$754,647 | \$948,493 |
| Interest on Borrowed Money | - | - |
| Office Operations | \$5,378,973 | \$5,126,276 |
| Provision for Loan Loss | \$77,514 | (\$84,921) |
| Total Expenses | \$6,211,134 | \$5,989,848 |
| Net Operating Income | \$1,879,248 | \$1,326,914 |
| Other Non-Operating Income/ (Expense) | \$5,625 | \$12,623 |
| Net Income | \$1,884,873 | \$1,339,537 |

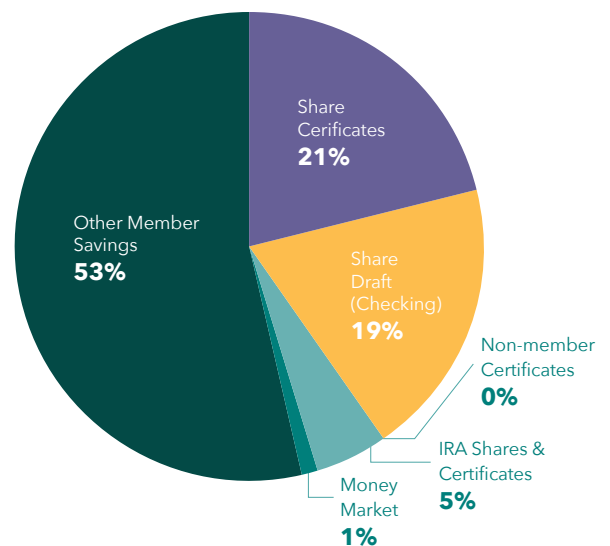
Equity & Reserves (in millions)



Loans (as of December 31, 2022)



Member Shares (as of December 31, 2022)





2022 Board of Directors

Report from the Supervisory Committee

The responsibility of the Supervisory Committee is to ensure appropriate internal controls are in the place to protect the credit union's assets. Additionally, they ensure the credit union's accounting records are accurate and reported in a prompt manner. The committee is also responsible for hiring an accounting firm to conduct an annual verification to ensure credit union records are accurate and fairly reflect the financial standing of the credit union. The accounting firm selected by the supervisory committee is Turner, Warren, Hwang, and Conrad (TWHC). The most recent audit by TWHC expressed an unqualified opinion that the records of Chaffey FCU as of June 30, 2022 are accurate.

Eduardo Zaldivar, Chair

Board of Directors

Don Bertucci, Chair
Mike Weaver, Vice Chair
Shirley Gasparin, Secretary
Regina Terrones, Treasurer
Beth Freer, Director
Cedric De Visser, Director
Patrick Schmidt, Director

Supervisory Committee Members

Eduardo Zaldivar, Chair
Beverly Bailey, Member
Penelope Fraumeni, Member
Trenton Negrete, Member

Executive Leadership Team

Diane Kotlewski, CEO
Sandy Velasco, COO
John Woon, VP of Information Services
Elena Juarez, VP of Finance