

## TREASURER'S REPORT

We can all agree that the world today is in a much different place than a year ago, two years ago, and especially three years ago. We are now into the third year of a COVID-19 pandemic; the war in Ukraine rages into its second year, the breadth of inflation is worrisome, and the prospect of a recession is in everyone's mind. The good news is that signs of improvements are all around us; new and used car sales are up, mortgage rates are coming down, and the application for mortgages are also going up. For the first time in nearly three years, inflation fell on a monthly basis this January (2023). Anytime when prices come down it gives real breathing room for us consumers. It may also show that perhaps, just perhaps the Fed's economic tightening is working.

The year 2022 proved to be both a transitioning year as well as a growth year for Alta Vista Credit Union. As Treasurer of Alta Vista Credit Union (AVCU), I declare the state of our credit union remains fiscally strong.

### Listed below are highlights and achievements from January 2022 to December 2022:

- AVCU is well-capitalized and financially sound with a Net Worth ratio of 7.46%.
- Net Income of \$1,26 million in 2022 was distributed to regular reserves and undivided earnings. It represents an increase of \$907.6k or 39% from 2021.
- Gross Loans went up by \$42.8M or 41.4% to \$146.1M at the end of December 2022.
- Loan to Share ratio improved from 50.61% in 2021 to 73.58% in 2022, a 45% improvement.
- Return on Assets reached 0.56%, shown steady improvements from January of 2022
- Total Equity increased by slightly over \$1.26M to \$17.33M.
- With improvements in Net Worth ratio and increases in Loan Volume and Net Income, our Efficiency Ratio also improved from 2021 to 2022.

In addition to strong financial results, here are two initiatives designed to better serve our members:

- AVCU rolled out credit card control named CardNav In mid-September 2022. It provides transaction-level card alerts and controls via personal smartphones and tablets within online banking. It gives our members a sense of control over their cards by able to block and unblock their credit cards and debit cards by setting usage and/or spending alerts which reduces the opportunities for fraudulent transactions.
- In a recent strategic planning session, AVCU management team across all business channels came together and created a business plan to increase our total assets each year for the next five years.

As always, the management team, our entire staff, and the Board truly appreciate your continuous support and we continue in our dedication to maintain your trust in our financial decisions.

Respectfully submitted,

*George Tone*

George Tone - Treasurer  
April 2, 2023

## AUDIT COMMITTEE REPORT

As a State Chartered, Federally insured credit union, Alta Vista Credit Union has an Audit Committee with two fundamental responsibilities: to ensure that the credit union's internal controls and risk management systems are effective. In essence, we are the volunteer guardians of your credit union's financial solutions.

To carry out our responsibilities we work with Alta Vista Internal Audit Manager, Connie Lopez. Our committee reviews the monthly financial statements and monitors the financial conditions on an ongoing basis. We provide our feedback, trend information and peer data to the Board of Directors. Our responsibilities include engaging a CPA firm to conduct the annual financial audit required by the State of California and closed account verification.

We also review the credit unions management of its internal controls through the Internal Audit Manager reports and engage external auditors as needed. We also review the results of regulatory compliance examinations conducted by state and federal examiners as well as independent internal and external audit reports. Audit findings and recommendations are discussed and presented to the staff and the status reports are reported to the Board of Directors.

The accounting firm of Turner, Warren, Hwang & Conrad AC, our independent auditor, has completed our annual audit report as of November 2022. The report was filed and published. The firm found Alta Vista Credit Union reflected positively in the areas of its operations and cash flows for the year that ended in 2022 in accordance with the accounting principles generally accepted in the United States of America.

The Audit Committee thanks you all, our members, for your continued trust and support of the credit union. Please feel free to contact the committee at P.O. Box 11495, San Bernardino, CA 92423-1495. We encourage our members to consider giving their time to participate in the volunteer oversight management of your credit union. Here is a link to learn about how to volunteer with our incredible staff and the duties involved. Located on the Alta Vista Website.

[AltaVistaCU.org/personal/about/membership/officials-volunteers](https://AltaVistaCU.org/personal/about/membership/officials-volunteers)

Respectfully submitted,

*Stephanie Ornelas*

Stephanie Ornelas - Audit Chairwoman  
April 2, 2023

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[AltaVistaCU.org](https://AltaVistaCU.org)

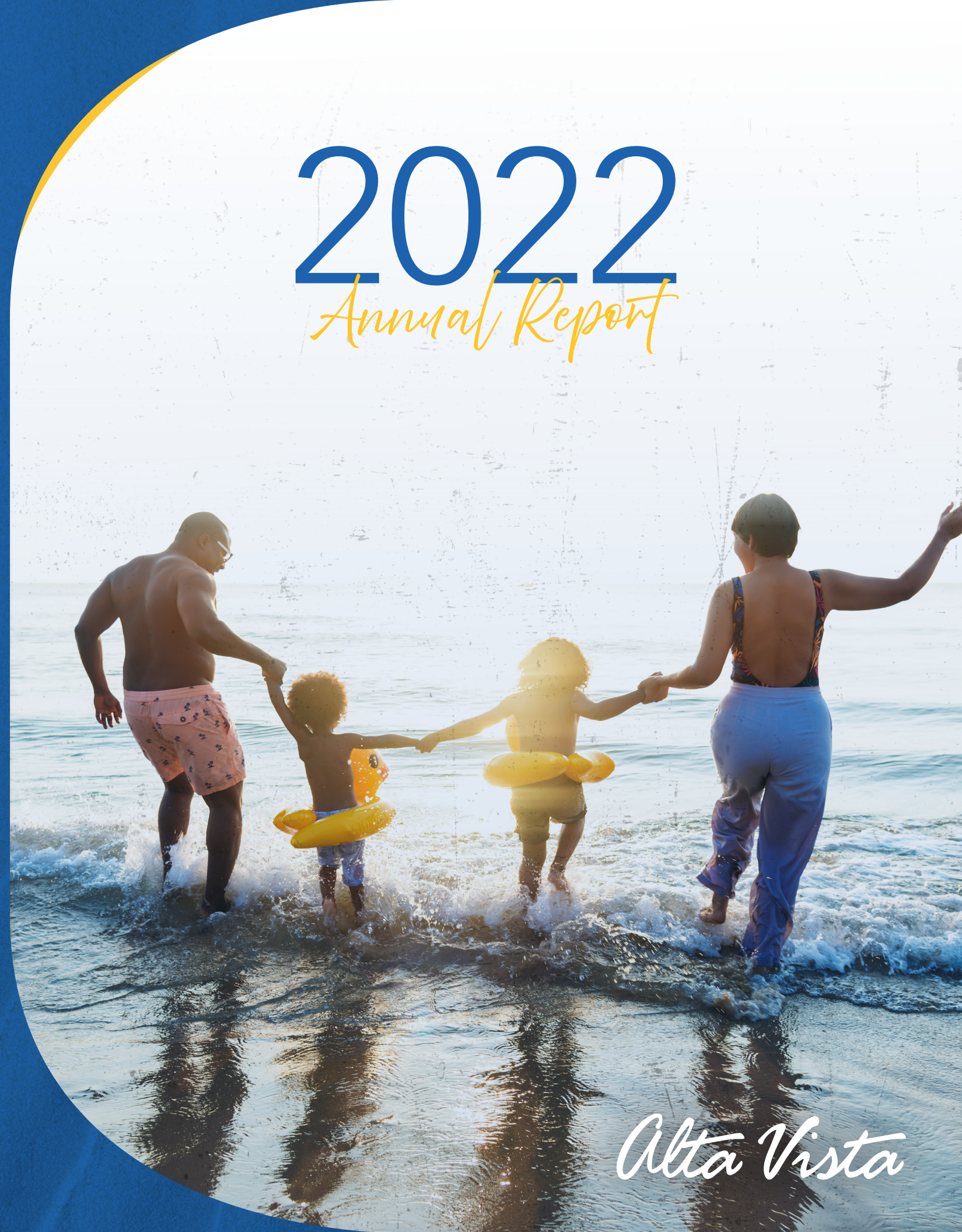


@AltaVistaCU

Federally Insured by NCUA



# 2022 Annual Report



*Alta Vista*

# CHAIRMAN & PRESIDENT'S MESSAGE

## To Our Valued Alta Vista Credit Union Members,

This past year has been one of growth, adaptation, and exciting new beginnings. With the ever-changing world that we live in, Alta Vista remains committed to serving our members, providing innovative and services that distinguishes your credit union from all the rest. 2022 was a year of many great accomplishments, including record loan numbers – as well as unparallel revenue growth. We finished the year with assets of just over \$232 million, a \$10 million increase from 2021.

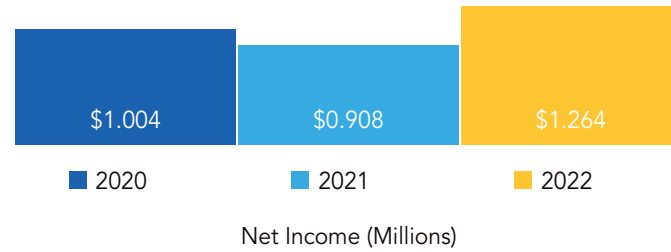
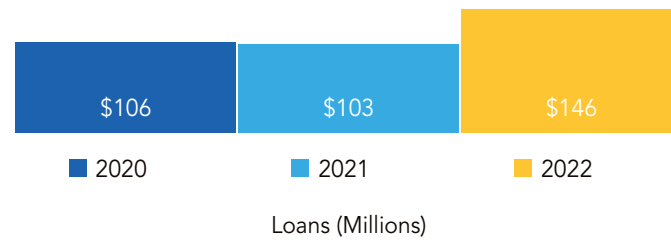
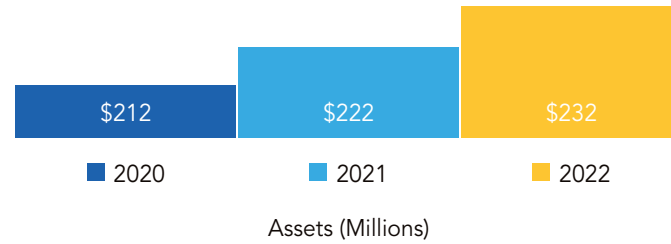
Alta Vista Credit Union is a member-owned credit union, consisting of more than 13,000 individuals with a unique array of diverse cultures and backgrounds. With such diversity, also comes the need for economic inclusion. To support this initiative, we joined the BankOn coalition to help connect individuals and families to safe and accessible checking accounts, bridging the gap between those that are unbanked and those that currently have a savings or checking account. Our belief remains strong that all people should have the ability to bank securely and affordably.

Guided by our Vision 'to be your financial partner today and always', we continued to expand our community outreach. For our military service members, Alta Vista is honored to be part of the AFFN network. Our commitment to local non-profit organizations grew in 2022. We proudly supported several local organizations providing financial support of more than \$17,000 in our local community. In addition to monetary donations and sponsorships, Alta Vista CU team members were more involved in our communities than ever – volunteering over 700 hours of community service in 2022. Whether we were cooking meals for families in need, sitting on local nonprofit Boards or volunteering at one of our many community events, our teammates provided an overwhelmingly positive representation of Alta Vista in every community we call home.

As we look ahead to 2023, we anticipate another year of even more amazing enhancements to our products, services, and our members' overall experience as we celebrate our 80th anniversary! Your credit union is well-positioned for continued growth and success, and we look to the future with hope and optimism. We are excited for the journey ahead, and we thank our member-owners and our hard-working team for choosing Alta Vista every day.

*Vincent Laster*  
Vincent Laster  
Chairman of the Board

*David Justice*  
David Justice  
President and Chief Executive Officer



## STATEMENT OF NET INCOME

	2020	2021	2022
<b>Operating Income:</b>			
Interest on members loans	\$ 6,388,859	\$5,136,979	\$6,255,226
Income from investments	344,334	410,792	890,401
Non-interest Income	2,172,993	2,658,091	2,679,735
Loss on Fixed Assets	-	-	56,478
<b>Total Operating Income</b>	<b>\$8,906,186</b>	<b>\$8,205,863</b>	<b>\$9,881,840</b>
<b>Operating Expenses:</b>			
Compensation & Benefits	\$2,918,188	\$3,201,858	\$3,631,185
Travel & Conference	24,040	54,903	129,651
Office Occupancy	558,633	589,973	651,399
Office Operations	1,951,311	1,955,838	1,999,331
Promotion	171,748	205,777	250,923
Loan Servicing	390,029	372,404	423,373
Professional & Outside Services	721,171	412,624	481,665
Debt of Business Oversight	41,742	27,965	30,605
Misc. Operating	80,624	132,704	124,802
Provision for Loan Losses	230,960	(11,000)	504,000
Interest on Borrowed Money	0	0	90,428
<b>Total Operating Expense</b>	<b>\$7,088,446</b>	<b>\$6,943,045</b>	<b>\$8,317,361</b>
Net income before dividends	\$1,817,740	\$1,262,818	\$1,564,479
Less dividends	773,935	355,172	300,369
<b>Net income</b>	<b>\$1,043,805</b>	<b>\$907,646</b>	<b>\$1,264,110</b>

## STATEMENT OF FINANCIAL CONDITION

	2020	2021	2022
<b>Assets:</b>			
Cash on hand	\$60,761,030	\$39,895,713	\$8,294,501
Investments	\$28,101,057	\$60,235,412	\$57,554,165
Loans to members	\$105,843,029	\$103,292,736	\$146,064,426
Allowance for potential loan losses	(\$1,152,107)	(\$609,563)	(\$624,053)
Land and Bldg & Other Fixed Assets	\$10,475,692	\$10,114,044	\$10,681,059
Other assets	\$8,263,303	\$8,960,742	\$10,202,277
<b>Total Assets</b>	<b>\$212,292,003</b>	<b>\$221,889,084</b>	<b>\$232,172,374</b>
<b>Liabilities and Shares</b>			
Accounts payable	\$2,011,976	\$1,741,843	\$2,333,927
Shares and Deposits	195,123,780	204,083,600	198,511,141
Other liabilities	-	-	14,000,000
<b>Total Liabilities</b>	<b>\$197,135,756</b>	<b>\$205,825,443</b>	<b>\$214,845,068</b>
<b>Equity</b>			
Undivided earnings	15,155,828	16,063,474	17,327,584
Unrealized gain (loss) on securities available for sale	420	167	(\$278)
<b>Total Equity</b>	<b>\$15,156,247</b>	<b>\$16,063,641</b>	<b>\$17,327,306</b>
<b>Total Liabilities, Shares and Equity</b>	<b>\$212,292,003</b>	<b>\$221,889,084</b>	<b>\$232,172,374</b>

