

TREASURER'S REPORT

As of December 31st, 2023, total assets at Alta Vista Credit Union were \$216 million and a net-worth ratio of 8.18%. Well capitalized is anything over 7%, per NCUA standards. The Credit Union operates in an extremely competitive market, and new deposit growth was down. Loan growth was slightly down in 2023, and the loan-to-share ratio ended at 70.93%.

The asset and deposit growth in the credit union industry has slowed from previous years, and the financial performance of Alta Vista Credit Union over the past 12 months reflects the current economic environment. Inflation has declined, but continues to impact members' savings and discretionary cash. The Federal Reserve aggressively raised interest rates over the last several years to slow inflation while attempting to avoid a recession. The frequency of rate hikes has slowed, and the likelihood of additional increases is low but still possible.

Alta Vista Credit Union reports a return on assets average (ROA) of .30% and the increase in the cost of funds to be competitive and retain deposits has played a large part in the lower ROA. The Board of Directors and Executive Management closely monitor the economy and interest rates, and how changes may impact the organization/members. The credit union ended the year with a positive income of \$668,349, which was down from the previous year.

The Board is committed to using the resources of the Credit Union in a fiscally responsible manner. It monitors the financial and economic environment to ensure the safety and soundness of the institution. We encourage all members to review Alta Vista's financial statements and direct any questions to the Board and Executive team. The Board would like to thank you for your loyalty and continued support.

Respectfully Submitted,
Cameron Valadez
Cameron Valadez – Treasurer

AUDIT COMMITTEE REPORT

The Audit Committee is tasked with ensuring that Alta Vista Credit Union is well-managed and financially sound. It is charged with overseeing the Credit Union's compliance with all generally accepted accounting principles and other regulatory requirements.

To carry out our responsibilities we work with Alta Vista Internal Audit Manager, Connie Roberto. 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 union's 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 September 2023. The report was filed with the State of California Department of Financial Protection and Innovation. The firm found Alta Vista Credit Union reflected positively in the areas of its operations and cash flows for the year that ended in 2023 in accordance with the accounting principles generally accepted in the United States of America.

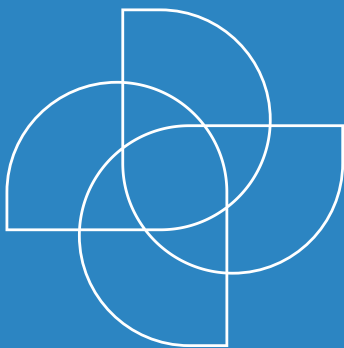
The Audit Committee thanks you all, our members, for your continued trust and support of the credit union. Please feel free to contact the committee at P.O. Box 11495, San Bernardino, CA 92423-1495. We encourage our members to consider giving their time to participate in the volunteer oversight management 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

Michael Van Luven
Michael Van Luven – Audit Chairman

Alta Vista

ANNUAL REPORT



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Federally Insured by NCUA



2023

CHAIRWOMAN'S & PRESIDENT'S MESSAGE

To Our Valued Alta Vista Credit Union Members

We are pleased to reflect on the journey we have all shared in 2023 and extend our gratitude for your continued trust in Alta Vista Credit Union. In a very dynamic financial landscape, our Credit Union has not only weathered the challenges 2023 offered, but thanks to your support, we ended the year in a strong position.

While growth is critical to financial viability, our primary goal is to work in the best interest of our members and provide value across the gamut of financial needs. I am proud that our 42 employees know that we exist to serve you, our members and the community. We offer help when others say no; we are not here to earn record profits or increase stock prices. We will continue offering competitive rates and the security and technology to manage your financial lives, both safely and conveniently.

In 2023, the financial services industry underwent significant transformations: Federal Reserve rate hikes, elevated inflation, economic shifts, technological advancements, and increasing consumer expectations. Through it all, Alta Vista has been resilient – adapting and innovating to meet the evolving needs of our members.

In 2023, we started a new five-year strategic plan which returns focus to our mission and core values and adopts various technologic advancements. Our commitment to financial inclusion, personal service and community engagement continues.

I am proud to report that Alta Vista has kept a solid fiscal position, despite economic challenges. Our prudent fiscal management, coupled with extremely loyal members, has allowed us to offer competitive rates and to expand our suite of financial products.

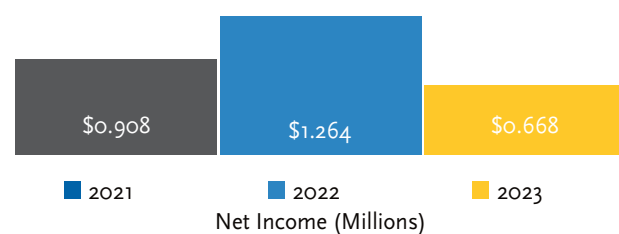
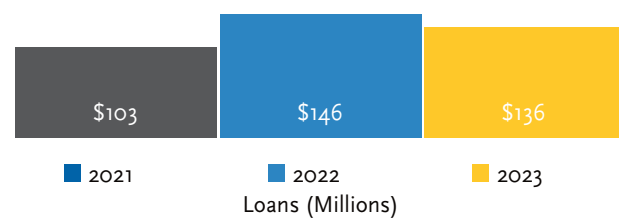
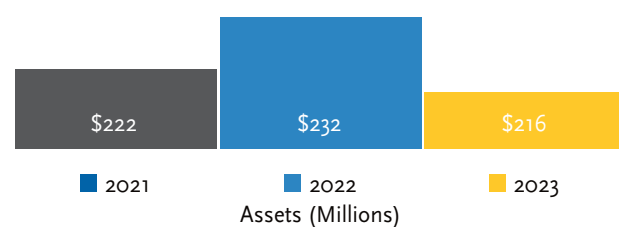
We are excited about the possibilities and challenges that await us in 2024. We stay dedicated to empowering financial well-being, enabling reliable transportation through auto loans, helping create safety nets of personal savings, freeing people from excessive debt and predatory lending, and launching business products to better serve our local community.

I want to express our deepest appreciation for your trust and partnership. Your support is the driving force behind our success, and we are eager to continue growing together in the coming year.

Regards,

Stephanie Ornelas
Stephanie Ornelas – Chairwoman

David Justice
David Justice – President and Chief Executive Officer



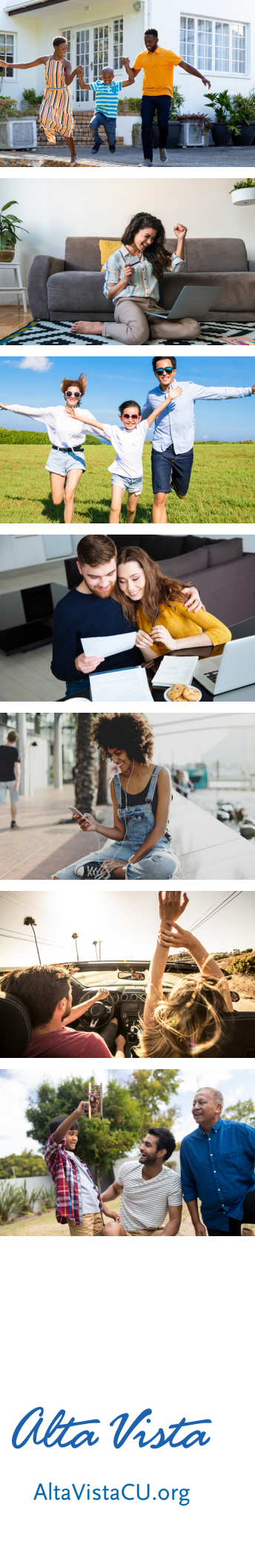
Alta Vista

STATEMENT OF NET INCOME

	2021	2022	2023
Operating Income:			
Interest on Members' Loans	\$5,136,979	\$6,255,226	\$7,897,243
Income from Investments	410,792	890,401	1,188,241
Non-interest Income	2,658,091	2,679,735	2,548,674
Other Non-operating Income	–	56,478	61,089
Total Operating Income	\$8,205,863	\$9,881,840	\$11,695,247
Operating Expenses:			
Compensation & Benefits	\$3,201,858	\$3,631,185	\$3,977,087
Travel & Conference Expense	54,903	129,651	128,341
Office Occupancy Expense	589,973	651,399	677,788
Office Operations Expense	1,955,838	1,999,331	2,361,025
Promotional Expense	205,777	250,923	232,147
Loan Servicing Expense	372,404	423,373	428,457
Professional & Outside Service	412,624	481,665	579,335
Dept. of Business Oversight	27,965	30,605	31,139
Misc. Operating Expenses	132,704	124,802	100,365
Provision for Loan Losses	(11,000)	504,000	493,766
Interest on Borrowed Money	0	90,428	686,689
Total Operating Expense	\$6,943,045	\$8,317,361	\$9,696,140
Net Income Before Dividends	\$1,262,818	\$1,564,479	\$1,999,108
Less Dividends	355,172	300,369	1,330,759
Net Income	\$907,646	\$1,264,110	\$668,349

STATEMENT OF FINANCIAL CONDITION

	2021	2022	2023
Assets:			
Cash on Hand	\$39,895,713	\$8,294,501	\$15,903,381
Investments	\$60,235,412	\$57,554,165	\$48,108,536
Loans to Members	\$103,292,736	\$146,064,426	\$135,967,877
Allowance for Potential Loan Losses	(\$609,563)	(\$624,053)	(\$870,854)
Land, Bldg. & Other Fixed Assets	\$10,114,044	\$10,681,059	\$10,373,383
Other Assets	\$8,960,742	\$10,202,277	\$6,546,781
Total Assets	\$221,889,084	\$232,172,374	\$216,029,104
Liabilities, Shares & Equity:			
Liabilities & Shares			
Accounts Payable	\$1,741,843	\$2,333,927	\$1,678,125
Shares & Deposits	204,083,600	198,511,141	191,686,633
Total Borrowings	–	14,000,000	5,000,000
Total Liabilities	\$205,825,443	\$214,845,068	\$198,364,758
Equity			
Undivided Earnings	16,063,474	17,327,584	17,664,514
Unrealized Gain (Loss) on AFS Securities	167	(\$278)	(\$168)
Total Equity	\$16,063,641	\$17,327,306	\$17,664,346
Total Liabilities, Shares & Equity	\$221,889,084	\$232,172,374	\$216,029,104



Alta Vista

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