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ANNUAL REPORT

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Letter From The Chair & CEO

On behalf of our dedicated employees and volunteers, it is a great pleasure to present our 2021 Annual Report. Coming into 2021, we were prepared for continued challenges brought on by the Covid-19 pandemic, with a focus on serving our members and our community to the best of our ability. We are proud of the way we were able to navigate the challenges and achieve success this year.

Chaffey members continued to rely on Chaffey FCU as the region began to emerge from lockdown. Following record growth in 2020, member deposits grew by nearly 12% and loans grew by almost 17%. The main factor in our loan growth was our real estate offerings, as members took advantage of continued low interest rates. Chaffey FCU lent out over \$18MM in real estate loans to our members this year, helping them purchase a home or refinance existing debt into a low-rate, manageable payment.

One of our highlights this year was the creation of our Chaffey Jr. savings and checking accounts for our young members. Providing young children with a savings account and teens with access to a checking account and debit card plays a key role in developing their money management skills as they move into adulthood. We had 96 Chaffey Jr. checking accounts opened in just over six months! A special part of this project was working with the Alta Loma High School Computer Graphics 2 class to develop the Chaffey Jr. logo.

The Chaffey FCU staff experienced several changes throughout the year. We said goodbye to staff members who were pursuing new opportunities, including retirement, and welcomed ten new team members. Several of these new team members are new to the credit union environment and they have wholeheartedly embraced the Chaffey FCU commitment to our membership. We are very proud of these new employees, as well as the seasoned team members and managers who are helping to develop them in their role.

Chaffey FCU was again given the opportunity to support our community via the Paycheck Protection Program (PPP) loans in 2021. We funded \$2.9MM in new PPP loans this year, for a total of nearly \$6MM lent out to small businesses over two years. As Covid restrictions lifted in the area, we looked for opportunities to serve our communities in person where we could, and virtually where we could not. We hosted staff meals at Alta Loma and Ontario High Schools, in recognition of the incredible educators we have the honor to serve. We held a school supply drive to benefit the Hope Through Housing Foundation, handed out goodie boxes to teachers who came to our branches, and helped raise over \$6,000 for the Women's Club of Montclair. For the first time, we partnered with the CJUHSD Campus Security Officers to support their "Sweating for Scholarships" program.

Chaffey FCU also received two very special recognitions this year! Our Board Chairman, Don Bertucci, was awarded the J. Alvin George Volunteer of the Year award from the California Credit Union League. Don has been serving Chaffey FCU as a volunteer for over 30 years, and we are forever grateful for his commitment to the credit union. We were honored on a local level by being named the Rancho Cucamonga Chamber of Commerce Financial Institution of the Year! This award would not have been possible without the support of our loyal members and our community over the years.

The next twelve months will see the culmination of several long-term technology projects that will allow Chaffey FCU to modernize our services and provide our members with easy-to-use platforms to utilize those services. We are very excited for the changes to come; in the meantime, we continue with our commitment to be a resource for our members and serve you to the best of our ability.

Thank you for your membership!



Don Bertucci
Chairman of the Board



Diane Kotlewski
Chief Executive Officer



2021 Financial Report

*as of December 31, 2021

STATEMENT OF FINANCIAL CONDITION

Assets	2021	2020
Loans to Members	\$ 108,606,303	\$ 92,908,309
Investments	91,103,463	63,111,548
Building	2,491,616	2,529,056
Other Assets	18,063,016	41,053,277
Total Assets	\$ 220,264,398	\$ 199,602,190

Liabilities	2021	2020
Other Liabilities	\$ 1,387,050	\$ 1,971,650
Dividends Payable	183,581	267,412
Members Share	202,925,342	181,603,531
Total Liabilities	\$ 204,495,973	\$ 183,842,593

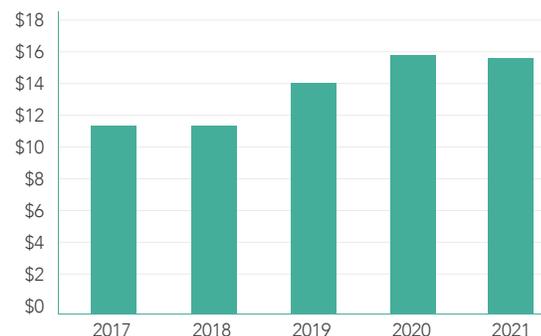
Equity	2021	2020
Undivided Earnings	\$ 14,817,549	\$ 13,451,774
Reserves	1,247,537	1,247,537
Other Comprehensive	(296,661)	1,060,286
Total Equity	15,768,425	15,759,598
Total Liabilities and Equity	\$ 220,264,398	\$ 199,602,190

STATEMENT OF INCOME

Income	2021	2020
Interest on Loans	\$ 4,284,753	\$ 4,359,783
Interest on Investments	805,504	801,223
Miscellaneous Income	2,226,505	2,053,157
Total Income	\$ 7,316,762	\$ 7,214,163

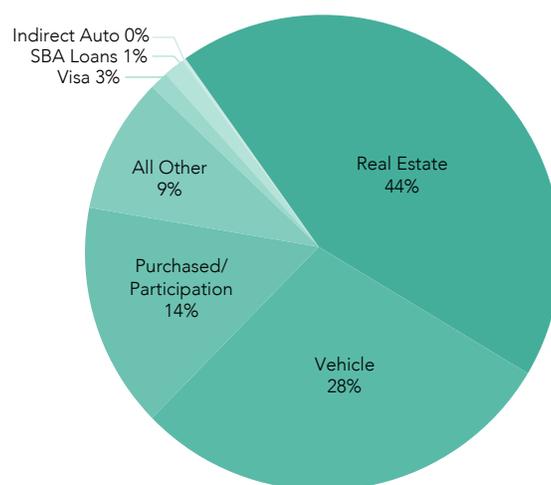
Expenses	2021	2020
Dividends to Members	\$ 948,493	\$ 1,120,618
Interest on Borrowed	-	-
Money Office Operations	5,126,276	5,222,783
Provision for Loan Loss	(84,921)	355,229
Total Expenses	\$ 5,989,848	\$ 6,698,630
Net Operating Income	1,326,914	515,533
Other Non-Operating	12,623	6,800
Income/(Expense)		
Net Income	\$ 1,339,537	\$ 522,333

EQUITY & RESERVES (in millions)



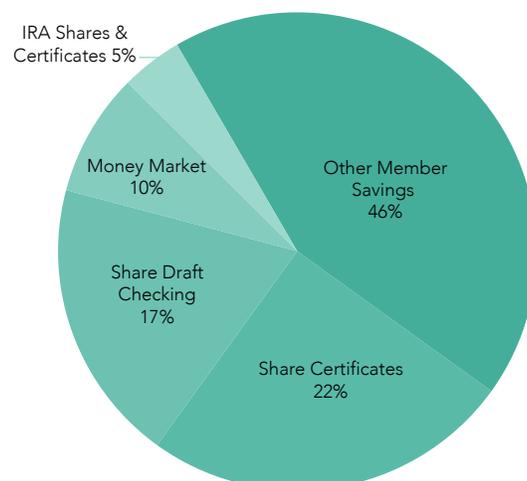
LOANS

(as of December 31, 2021)



MEMBER SHARES

(as of December 31, 2021)



In the Community - 2021

BACK TO SCHOOL SUPPLY DRIVE

The Hope through Housing Foundation held a back to school drive to collect supplies for kids living in affordable housing communities. Throughout the month of August, Chaffey FCU partnered with Hope through Housing to gather school supplies for those in need. Each of Chaffey FCU's branches and their staff were able to donate a generous amount of school supplies!

SPREADING THE HOLIDAY CHEER

Our Members did double the gifting this past holiday season raising over \$5,000 for the Chaffey College Foundation's Fund a Dream. From November 25, 2021 through December 25, 2021 Chaffey FCU made a donation for every Member debit card and credit card transaction. Fund a Dream is a scholarship program that provides Chaffey College students with the funds necessary to pay fees and books for an entire academic year!

SWEATING FOR SCHOLARSHIPS

Chaffey FCU supported the Chaffey Joint Union High School District's Campus Security Officers first annual "Sweating for Scholarships" where a student who has persevered through adversity was nominated by a security officer at their campus for a \$500 scholarship. Nine scholarships were awarded on May 3, 2021 after the Campus Security Officer teams competed in an athletic competition. The Chaffey High School Campus Officers came out on top and won first place!

UPLAND USD GATHERING OF EXCELLENCE

Chaffey FCU sponsored the Upland Unified School District's Gathering of Excellence event, which welcomed back teachers for the 2021/22 school year.



Upland USD Gathering of Excellence



Upland USD Gathering of Excellence



Sweating for Scholarships



Spreading the Holiday Cheer



Back to School Supply Drive

2021 Board of Directors & Executive Leadership Team

SUPERVISORY COMMITTEE REPORT/STATEMENT

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, 2021 are accurate.

Sara Rodriguez - *Chairperson*

BOARD MEMBERS

Chair | Don Bertucci
Vice Chair | Mike Weaver
Treasurer | Regina Terrones
Secretary | Shirley Gasparin
Board Member | Patrick Schmidt
Board Member | Elizabeth Freer
Board Member | Cedric de Visser

SUPERVISORY COMMITTEE MEMBERS

Chair | Sara Rodriguez
SC Member | Holly McDonagh
SC Member | Eduardo Zaldivar
SC Member | Trenton Negrete
SC Member | Penny Fraumeni

EXECUTIVE LEADERSHIP TEAM

Chief Executive Officer | Diane Kotlewski
Chief Operations Officer | Sandy Velasco
Vice President of Strategy | Vanessa Torquato
Vice President of Information Services | John Woon



Board of Directors
