



2024

ANNUAL REPORT

Chaffey FCU empowers your wellness journey by providing personalized financial solutions and education.

LETTER FROM THE CEO & CHAIR

On behalf of our dedicated employees and volunteers, it is a great pleasure to present our 2024 Annual Report. Chaffey FCU was proud to celebrate our 60th anniversary in January 2024; this is a milestone that we would not have achieved without our members! We continue to look for ways to enhance our services, and provided two new features in 2024 to build on our commitment to lighting the financial future of our membership. The first is W.I.S.E., our financial counseling program introduced in July to help members build savings, reduce debt, and improve credit. In only the first six months of the program, twelve members have had initial engagements with Chaffey's Financial Empowerment Specialist! The second is a partnership with My First Nest Egg, geared toward engaging our youngest members with important money concepts and providing a conversation starter for families. As of December 31, 365 kids were using the My First Nest Egg app to track savings and learn financial terminology.

At the beginning of 2024, the projections for the year were tenuous. Uncertainty around interest rates and a looming recession had the credit union projecting a break-even year. Thankfully, Chaffey FCU was able to achieve an essentially break-even status. Interest rates were steady, yet still high, in 2024. While the credit union's interest income from loans and investments increased due to the elevated rates, our dividend costs to members also increased. The increase in operating expenses, and less net interest income to pay for expenses, resulted in the slight dollar loss of \$7,636 at the end of the year. Chaffey FCU is able to absorb the loss and remain well-capitalized in 2024.

As a not-for-profit financial institution, Chaffey FCU returns profits to our community in the form of lower fees, lower rates on loans, and higher rates on deposits. In addition to the return to members, Chaffey FCU supports a variety of education- and community-based organizations. We provided over \$34,000 in support in 2024, despite the uncertainty over net income. Membership declined minimally in 2024 (-0.8%), a combination of members consolidating accounts and the closure of inactive accounts. However, the number of checking accounts at Chaffey FCU increased by 1.85%. We are proud to offer low-cost checking with high accessibility and advanced features to make banking easy for our membership.

Credit union management works diligently to balance high interest rates with keeping services affordable for the membership. Higher interest rates have put a damper on large purchases by consumers, such as homes and automobiles. As a result, the dollar amount of new loans granted by Chaffey FCU in 2024 was down 19% from 2023, and down 38% from 2022. However, the credit union's loan portfolio balance decreased by only -0.21%, and loans to the core membership increased by just over 1%. The sectors contributing growth to the loan portfolio were Home Equity Lines of Credit (HELOCs) and personal loans. Many of those loans were for debt consolidation, helping credit union members shed high-rate credit card debt and lower their overall monthly payments.

We continued building on our partnerships with local schools and community organizations to provide financial literacy to teenagers and young adults. We reached 3,100 high school seniors with the Bite of Reality® simulations workshop, and provided over 150 hours of financial literacy classes across six (6) schools and two (2) community organizations. In the Spring of 2025, we will be welcoming new schools and districts to our partnerships for our financial literacy programs.

Chaffey FCU weathered the uncertainty of 2024 and is well-positioned to face the challenges ahead in 2025. Chaffey FCU management and the Board of Directors remain steadfast in our commitment to maximizing the value of your membership, and hope that you are proud of what your credit union does for you and your community.

Thank you for your membership!



DIANE KOTLEWSKI
Chief Executive Officer



DON BERTUCCI
Chairman of the Board

2024 FINANCIAL REPORT

*as of December 31, 2024

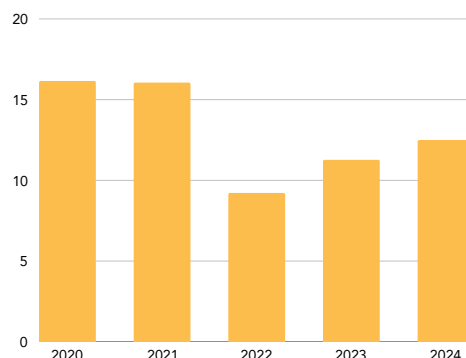
Statement of Financial Condition

Assets	2024	2023
Loans to Members	\$122,552,552	\$123,068,895
Investments	\$86,431,697	\$70,662,565
Building	\$2,464,063	\$2,408,090
Other Assets	\$19,488,474	\$21,525,390
Total Assets	\$230,936,786	\$217,664,940
Liabilities	2024	2023
Other Liabilities	\$22,993,342	\$8,136,968
Dividends Payable	\$619,360	\$563,758
Members' Shares	\$195,185,692	\$197,914,148
Total Liabilities	\$218,798,394	\$206,614,874
Equity	2024	2023
Undivided Earnings	\$16,713,374	\$16,807,488
Reserves	\$1,247,537	\$1,247,537
Other Comprehensive Income	(\$5,822,519)	(\$7,004,959)
Total Equity	\$12,138,392	\$11,050,066
Total Liabilities & Equity	\$230,936,786	\$217,664,940

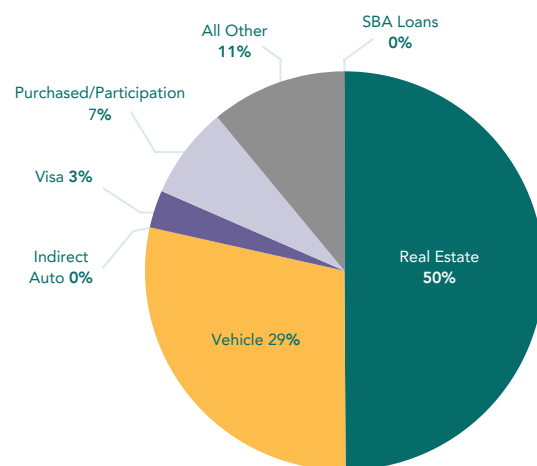
Statement of Income

Income	2024	2023
Interest on Loans	\$6,487,629	\$5,509,076
Interest on Investments	\$3,055,418	\$1,866,606
Misc. Income	\$2,127,189	\$2,020,663
Total Income	\$11,670,236	\$9,396,345
Expenses	2024	2023
Dividends to Members	\$3,027,620	2,200,611
Interest on Borrowed Money	\$872,740	58,772
Office Operations	\$7,345,124	6,665,738
Provision for Loan Loss	\$433,690	345,602
Total Expenses	\$11,679,174	9,270,723
Net Operating Income	(\$8,938)	125,621
Other Non-Operating Income/(Expense)	\$1,302	5,284
Net Income	(\$7,636)	130,905

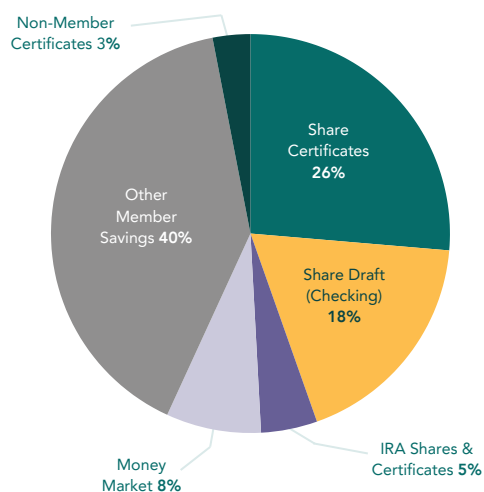
Equity & Reserves *in millions



Loans



Member Shares



2024 CHAFFEY LEADERSHIP

2024 BOARD OF DIRECTORS



Don Bertucci
Chairman of the Board



Mike Weaver
Vice Chairman



Elizabeth Freer
Secretary



Regina Terrones
Treasurer



Patrick Schmidt
Board Member



Dr. Terry Chase
Board Member



Sid Jain
Board Member

Associate Board Members

Gregg Legutki

Priscilla Martinez

Michael He

2024 SUPERVISORY COMMITTEE



Eduardo Zaldivar
*Supervisory
Committee Chair*



Trenton Negrete
SC Member



Penny Fraumeni
SC Member



Beverly Bailey
SC Member



Sandy Lopez
SC Member

REPORT FROM THE SUPERVISORY COMMITTEE:

The responsibility of the Supervisory Committee is to ensure appropriate internal controls are in 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, 2024 are accurate.

Eduardo Zaldivar, Chair



CHAFFEY FCU EXECUTIVE TEAM

Diane Kotlewski, *Chief Executive Officer*

Sandy Velasco, *Chief Operations Officer*

John Woon, *VP of Information Services*

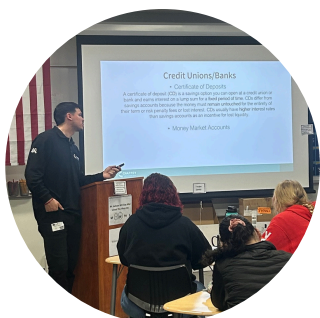
2024 IN REVIEW

COMMUNITY INVESTMENT

Chaffey FCU donated over \$34,000 to our community in 2024. We supported a variety of non-profit organizations, student scholarships, and school staff events. Recipients included the Chaffey Joint Union High School District Campus Officer Scholarships, There is Hope Foster Family Agency, Upland Unified School District, the Chaffey College Foundation, and Foothill Family Shelter.



FINANCIAL EDUCATION



Financial Classes & Workshops

We reached 3,100 high school seniors with the *Bite of Reality®* simulation workshop, and provided over 150 hours of financial literacy classes across six (6) schools and two (2) community organizations.

My First Nest Egg

The My First Nest Egg app allows local students and young Chaffey FCU Members to practice healthy financial habits. Since launching the program at Chaffey in March 2024, over 380 kids are using the platform and have completed hundreds of transactions each month via the digital piggy bank.



W.I.S.E. Financial Coaching

W.I.S.E. Financial Coaching was launched in July of 2024. Currently, 13 Chaffey FCU staff members are certified as Credit Union Financial Counselors by America's Credit Unions (previously the Credit Union National Association), including a full-time Financial Empowerment Specialist ready to work with Chaffey FCU Members.

WISE
Working to Ignite Success &
Empowerment