



CABRILLO
CREDIT UNION
We Create Possibilities

ANNUAL MEETING
2023

Cabrillo Credit Union Annual Meeting Agenda

Wednesday, June 22, 2023 5 p.m.

Scripps Ranch Branch, 10075 Carroll Canyon Rd,
Ste. 200, San Diego, CA 92131

I. Determination of Quorum (15)

Presented by Richard Amezcua, Chair of the Board

II. Approval of minutes from the Annual Meeting held June 23, 2022

Presented by Richard Amezcua, Chair of the Board

III. Report of the Board Chair and CEO

Presented by Richard Amezcua, Chair of the Board

IV. Report of the Supervisory Committee

Presented by Michael Baranic, Chair of the Supervisory Committee

V. Unfinished Business

Presented by Richard Amezcua, Chair of the Board

VI. Report of the Nominating Committee

Presented by Marcella Serrano-Gomez, Chair of the Nominating Committee

- Supervisory Committee (1 open position)
- Board of Directors (2 open positions)

VI. Adjournment

Presented by Richard Amezcua, Chair of the Board

Report of the Supervisory Committee

The Cabrillo Credit Union Supervisory Committee is comprised of volunteer members responsible for ensuring that the credit union's fiscal operations and internal controls follow established accounting principles and regulations that govern credit unions.

The Supervisory Committee has oversight responsibility for both internal and external audits for Cabrillo Credit Union. The committee coordinates an annual independent audit with an externally certified public accounting firm, and this year selected the firm of Turner, Warren, Hwang & Conrad AC (TWHC). TWHC is a well-qualified auditing firm that follows Generally Accepted Financial Principles as promulgated in the United States of America. This firm was engaged for the audit and issued an unmodified opinion, which means the financial statements are fairly stated in all material respects.

Based on these independent reports, the Supervisory Committee is pleased to inform the membership that Cabrillo Credit Union is in good financial condition, and that member account balances have been verified.

The Supervisory Committee also engaged several firms to conduct internal audits to ensure that Cabrillo Credit Union maintains good internal controls, complies with regulations, and the assets are prudently safeguarded. The committee works with management to ensure any operating issues are addressed.

Fiscal year 2022 brought many positive outcomes to the financial condition of Cabrillo Credit Union. The credit union improved our net worth Ratio to 8.72% as of December 31, 2022. Cabrillo also ended the year with net income of more than \$2.3 million, and a return on assets ratio of 57 basis points. All improvements over 2021. Cabrillo Credit Union is well-positioned to continue to faithfully serve our members in a safe and sound manner.

Thank you for your membership and the opportunity to serve as the Supervisory Committee Chairman.

Respectfully Submitted,
Michael Baranic
Chair, Supervisory Committee



Report of the Chairman and CEO

Dear Members,

We are delighted to present to you the annual CEO and Chairman Report, celebrating the exceptional accomplishments and progress achieved by Cabrillo Credit Union in 2022. This report serves as a testament to the efforts of our employees, whose commitment and dedication have played a pivotal role in our success. As we move forward from the multi-year disruption caused by the COVID-19 pandemic, we see a bright future filled with exciting opportunities. In the following report, we will delve into the financial update, operational advancements, and key initiatives that highlight the exceptional contributions of our employees and reinforce Cabrillo Credit Union's position of strength as we embrace the promising times ahead.

Cabrillo Credit Union has made significant strides in strengthening our financial position. Our diligent efforts have resulted in a notable improvement in our net worth ratio. In December 2021, our net worth ratio was 7.77%, and in December 2022, our net worth increased to 8.72%. This is a primary measure of a financial institution's strength. The National Credit Union Administration considers an institution well capitalized above 7%. Additionally, our delinquency rate remains impressively low at just 0.21%, reflecting our responsible lending practices. Furthermore, we made a strategic decision to change our first mortgage loan originator, enabling us to expand our portfolio of mortgage loans with a fresh set of options. This expanded selection now encompasses Traditional, VA, FHA, and the ability to lend in all 50 states. This change not only broadens our offerings but allows us to better cater to the diverse needs of our members. Cabrillo Credit Union remains committed to improving our loan offerings to serve our members' needs.

In our commitment to supporting our members during challenging times, we have taken significant steps to revamp our Payroll Assurance Loan (PAL) Program, introducing the Cabrillo Advanced Relief Effort (C.A.R.E. Program). This redesigned program extends its benefits beyond assisting members during federal shutdowns and now encompasses assistance during natural disasters. The C.A.R.E. Program reflects our dedication to being there for our members when they need us the most, offering financial relief and peace of mind during unexpected hardship. Our commitment to the well-being of our members remains unwavering, and the C.A.R.E. Program stands as a testament to our continued efforts to support and uplift our community.

An integral aspect of our progress lies in the significant improvement of our IT infrastructure, which has undergone a substantial upgrade. This upgrade has resulted in a more reliable and stable system, ensuring seamless operations and uninterrupted access to our services for our valued members. The enhanced security measures implemented as part of this upgrade have fortified our defenses against cyber threats, safeguarding the sensitive financial information entrusted to us. The robustness of our upgraded IT infrastructure substantially benefits Cabrillo Credit Union, enabling us to operate efficiently, protect member data, and deliver an exceptional digital banking experience. We are dedicated to continuously enhancing our IT capabilities to meet our members' evolving needs and expectations.

In closing, we would like to express our sincere gratitude to our valued members for their unwavering trust and continued support. Your faith in Cabrillo Credit Union drives us to strive for excellence and deliver exceptional financial services. As we reflect on the accomplishments of 2022, we are filled with a sense of pride and optimism for the future. With a solid financial position, dedicated employees, our improved IT infrastructure, and innovative programs like C.A.R.E., we are well-equipped to navigate the challenges that lie ahead. We remain committed to putting our members' needs first, embracing growth opportunities, and upholding our mission to empower and uplift our community. Thank you for being part of the Cabrillo Credit Union family, and we look forward to a bright future together.

Kindest Regards,

Richard Amezcua and Kevin Posey

Financial Report

Income & Expenses		
Figures in thousands ('000)	2021	2022
Interest on Loans	\$9,826	\$10,406
Investment Income	\$1,159	\$2,181
Interest Income	\$10,985	\$12,586
Dividends	\$(593)	\$(529)
Interest On Borrowed Funds	\$(488)	\$(32)
Net Interest Income	\$9,904	\$12,026
Non-Interest Income	\$4,482	\$4,653
Provision for Loan Losses	\$428	\$(648)
Total Income	\$14,814	\$16,032
Compensation/Benefits	\$7,361	\$7,089
Training and Conferences	\$278	\$331
Office Occupancy	\$681	\$768
Office Operation	\$563	\$634
Share Draft & ATM	\$1,145	\$1,235
Information Technology	\$1,334	\$1,509
Marketing	\$363	\$404
Loan Servicing	\$491	\$721
Outside Service	\$931	\$918
Miscellaneous	\$105	\$63
Total Expenses	\$13,252	\$13,672
Non-Operating Loss/(Gain)	\$1	\$14
Net Income	\$1,561	\$2,346

Assets		
Cash	\$74,123	\$19,481
Net Loans	\$190,557	\$223,311
Investments	\$143,118	\$142,511
Other Assets	\$15,927	\$19,612
Total Assets	\$423,725	\$404,914

Liabilities & Equity		
Liabilities	\$4,053	\$10,965
Total Shares	\$387,812	\$371,597
Equity	\$31,860	\$22,352
Total Liabilities & Equity	\$423,725	\$404,914

In The Community



Last year, during our annual Feds Feeds Families Food Drive benefiting the San Diego Food Bank (in partnership with our Border Patrol partners), we collected 1,200 lbs of food.



Cabrillo staff, members, and partners helped raise \$44,000 during our Credit Unions for Kids fundraiser, benefiting Rady Children's Hospital.

Board Of Directors & Supervisory Committee

Richard Amezcua, Chair

Randi Larsson, Vice Chair

Kristopher Whitworth, Treasurer

G. Frank Miranda, Secretary

Dave C. Rodriguez, Director

Marcella Serrano-Gomez, Director

Manuel Bayon, Director

Kevin Posey, President & CEO

Michael Baranic, Supervisory Committee Chair

Tina Paisley, Supervisory Committee

Joel Lara, Supervisory Committee





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***Enriching the lives of our member-owners,
one relationship at a time.***



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