



2022 Annual Report

For

Strata Credit Union

“For Life’s Priorities”

A Message from the President

During 2022 the Federal, State, and Local economy began returning back to some form of normalcy, although inflationary pressures arose during this time as well.

During 2022 we realized \$36.7M in loan growth or 18.2% year over year growth. Deposits in the credit union shrank \$8.0M as members began spending some of the Covid stimulus funds accumulated over the prior couple years. While membership grew 1.3k or 5.8% to just over 23k members served.

Earnings were a bit lower for the year with the credit union realizing \$1.0M in Net-Income during the year or a Return on Assets of .32%. This was expected as there were significant expenses associated with converting our core member systems during 2022. Our Capital position remains well above regulatory requirements at 11.98%. NCUA, our regulator, considers anything above 8% Well-Capitalized.

There were other non-monetary accomplishments the credit union achieved during 2022. The largest was the conversion of our member database systems during June of 2022 upgrading to new a new technology platform that will allow us to connect with many of today's new technologies. We accomplished the conversion with just a few disruptions to service but overall was a tremendous success. We began construction on our 4th branch in Wasco and it should be opening later this year. We swapped out new ATM, members can now withdraw in increments of \$5 vs. \$20.

We continue to look to adding products and services to benefit our members so be on the lookout for new and exciting features in the coming years.

Respectfully submitted,

Brandon Ivie

A Message from the Chairman,

As we welcome 2023, our local community and Strata have returned to a more normal economic environment and are eager to continue to respond to the financial needs and well-being of members, their families, and their communities.

Some accomplishments of note during the past year include:

- \$36.7 million, 18.2%, in loan growth in 2022
- \$1M in Net Income in 2022
- Strong Capital Position with 11.98% in Net Worth
- 1,300 Net New Members joined the Credit Union, now serving over 23K members
- Member Database Conversion
- Wasco Branch Groundbreaking

All these accomplishments can be attributed to Strata's management, staff and volunteers commitment to provide essential products and services to members.

As 2023 progresses, the Strata team will continue to tirelessly concentrate on serving current and new members to achieve our vision, "To improve the financial well-being of our members, Strata CU will be the financial institution they choose first, use the most, and grow with throughout their lives."

Regards,
Lito Morillo

A Message from the Supervisory Committee Chair

Strata Credit Union Members,

On behalf of Strata Credit Union's volunteer Supervisory Committee, I'd like to thank each of you for trusting Strata in serving your financial needs. Strata is committed to protecting its members' funds and assets. As part of this effort, the Supervisory Committee is ensuring that Strata is adhering to all government regulations, general accounting principles, and internal policies the credit union has in place.

As Chair of the Supervisory Committee, I'm happy to report that Strata remains safe, secure, and financially stable as evidenced by the audits conducted by an independent certified public accounting firm and our regulator, the National Credit Union Administration.

I appreciate the dedication of fellow committee members and want to express our gratitude to the Strata Credit Union Board of Directors, Management and Staff for their ongoing commitment to meeting the financial needs of our members.

The Supervisory Committee is honored to serve you.

Respectfully,

Chase Nunneley,
Supervisory Committee Chair
Strata Credit Union

Copies of the audits performed are available to members of credit union upon request.

STRATA CREDIT UNION
MINUTES OF THE ANNUAL MEETING
OF THE MEMBERS

Chairman Basconcillo called the remote meeting of the members to order on April 27, 2022 at 12:01 p.m., at 1717 Truxtun Ave., Bakersfield, California.

DIRECTORS PRESENT: GLENN BASCONCILLO
 MARGO RAISON
 LITO MORILLO
 JACKIE DENNEY
 GINNY KREBS
 GUY GREENLEE
 MITCHELL PATEL

DIRECTORS ABSENT: NONE

Chairman Basconcillo welcomed the members to the 73rd Annual Meeting of Strata Credit Union.

Chairman Basconcillo requested Director Denney to ascertain that a quorum was present. Director Denney confirmed that a quorum was present.

Chairman Basconcillo introduced the following members of the Board of Directors who were in attendance: Lito Morillo, Margo Raison, Ginny Krebs, Jackie Denney, Guy Greenlee, and Mitch Patel.

Chairman Basconcillo introduced the following members of the Supervisory Committee who were in attendance: Chase Nunneley, Elizabeth Chavez and Eva Ramirez.

Chairman Basconcillo noted that the minutes from last year's Annual Meeting, as well as the Annual Report, which was available upon request to the attendees for their review.

Chairman Basconcillo called for a motion to approve the minutes of the April 28, 2021 Annual Meeting. A motion was made by Director Morillo and seconded by Director Krebs to approve the minutes as presented.

AYES: ALL

Chairman Basconcillo introduced President/CEO Ivie and the remaining management: Senior Vice President of Lending and IT Brenda O'Doherty and Vice President of Sales and Membership Jose Gonzalez.

Chairman Basconcillo asked if there was any unfinished business. There was no unfinished business.

Chairman Basconcillo asked if there was any new business. There was none.

Chairman Basconcillo introduced Michael Stevenson as the Nominating Committee

STRATA CREDIT UNION
MINUTES OF THE ANNUAL MEETING
OF THE MEMBERS

Chairman. Nominating Committee Chairman Michael Stevenson was absent and unable to report. President Ivie reported that the committee had submitted the following names for nomination to the Board of Directors:

- Lito Morillo (Incumbent) for a three-year term
- Guy Greenlee (Incumbent) for a three-year term
- Mitch Patel (Incumbent) for a one-year term

Chairman Basconcillo announced that under the credit union's bylaws, elections will not be conducted by ballot and there will be no nominations from the floor when there is only one nominee for each position to be filled. Chairman Basconcillo advised that the Chair would entertain a motion to declare nominations closed and all nominees elected by acclamation.

A motion was made by Director Denney and seconded by Director Krebs to declare the nominations closed and elect the nominees by acclamation.

AYES:

ALL

Chairman Basconcillo congratulated the newly elected Board members.

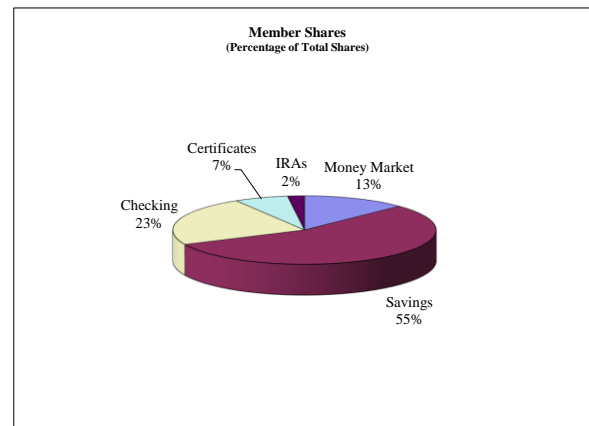
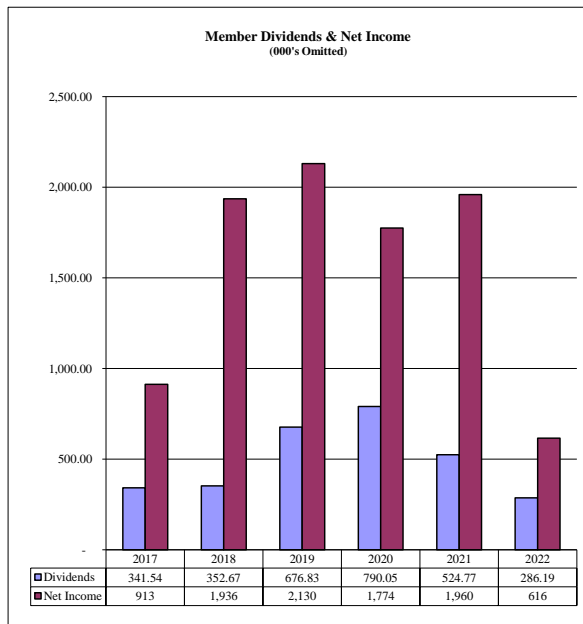
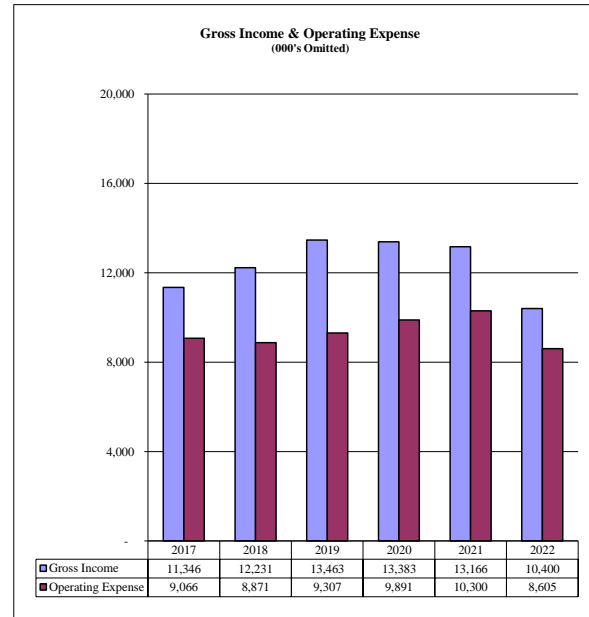
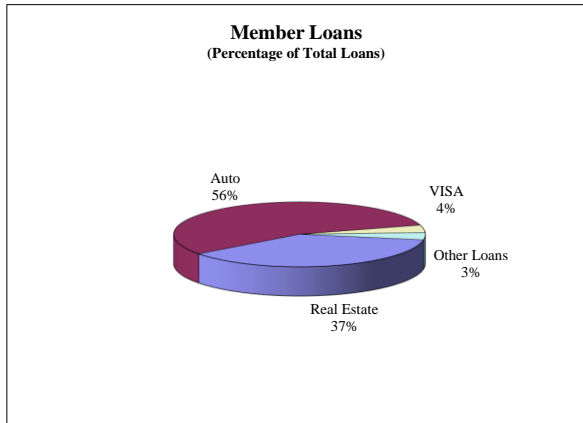
Chairman Basconcillo adjourned the meeting at 12:06 p.m.

CHAIRMAN

SECRETARY

hc

Annual Statements



Statements

Statement of Income
For the Year Ended September 30, 2022
(000's Omitted)

Income	2021	2022
Interest on Members' Loans	\$ 9,101	\$ 7,567
Investment Income	652	445
Other Income	3,413	2,388
Gross Income	\$ 13,166	\$ 10,400
Expenses		
Provision for Loan Loss	\$ 381	\$ 893
Other Operating Expenses	10,300	8,605
Operating Expenses	\$ 10,682	\$ 9,498
Income from Operations		
Income from Operations	\$ 2,485	\$ 902
Dividends Paid to Members	525	286
Net Income	\$ 1,960	\$ 616

Condensed Statement of Financial Condition
As of September 30, 2022
(000's Omitted)

Assets	2021	2022
Loans to members	\$ 200,095	\$ 227,441
Cash	16,905	16,570
Investments	88,808	58,916
Other Assets	24,419	27,211
Total Assets	\$ 330,226	\$ 330,138
Liabilities/Shares/Equity		
Dividends Payable	\$ -	\$ -
Other Liabilities	4,006	1,265
Members Share Accounts	287,581	289,114
Members' Equity	38,640	39,760
Total Liabilities/Shares/Equity	\$ 330,226	\$ 330,138



Vision Statement

To improve the financial well-being of
our members,

SCU will be the financial institution they
choose first, use the most, and grow with
throughout their lives.

