

Expanding our services as a community-chartered credit union

2023 ANNUAL REPORT



CAPSTONE
FEDERAL CREDIT UNION

***A growing community
Built from a strong foundation
Serving Capstone Members For Over 70 Years***

2023 EXECUTIVE REPORT

Expanding our services as a community-chartered credit union

In 2023, President Candice Landeros' eleventh year leading Capstone FCU, the organization expanded to become a community-chartered credit union. CFCU is now able to serve the financial needs of hundreds of thousands of businesses, families, and individuals in Orange County, within 51 specified Census tracts. People who live, work, worship, and attend school in those 51 Census tracts of Orange County are eligible for membership in Capstone Federal Credit Union.

We're proud of Capstone's expansion into a larger, more inclusive organization, and we look forward to financial strength and growth in 2024, thanks to our long-term members' loyalty and our new members' enthusiastic support.

At \$34,973,940, our total assets are close to last year's amount, and our capital has held strong since last year, ending at \$3,636,675. Shares are at \$31,245,407, just a slight decrease from 2022. Our accrued income dropped by a small amount, 8.10%, and our net loans grew substantially, by 9.48%. Our total liabilities increased by \$19,002, a much smaller number than last year. We believe our consistently strong financials are the result of our members' knowledge that their money is safe with us, and that they can always count on Capstone FCU for top-notch member service.

These numbers demonstrate that Capstone Federal Credit Union is "built from a strong foundation," capable of continued growth and financial strength. Please continue to come to us anytime you need a loan. We'll continue to put you, our members, first, offering superb products and excellent member support.

We look forward to another strong year of financial growth in 2024.

Respectfully submitted,

Candice Landeros
President/CEO

Tim Albright, Chairman
Board of Directors

Board of Directors



Tim Albright
Chairman



Sherry Fordham
Vice Chairman



Tom Karpinski
Secretary



Mario Medina
Board Member



Michael McNinch
Treasurer



Linda Kennedy

Supervisory Committee



Kathy Crilly



Candice Landeros
President & CEO

Credit Union Staff



Jennifer Gear
Branch Supervisor



Arilda Tinajero
Loan Officer



Mahda Khanaman
Member Service
Representative

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee of Capstone Federal Credit Union works in conjunction with the Board of Directors to monitor and review the Credit Union's accounting procedures. Our goal is to ensure that all fiscal operations are performed accurately and in compliance with the Credit Union's charter and federal regulations. Additionally, a Supervisory Committee representative is present at the monthly Board of Directors meetings and at special planning meetings called by the chairman.

To assist us in monitoring the Credit Union's fiscal activities, we have retained the services of **Richards & Associates, CPAs, a certified public accountant, for the audit period from September 30, 2022 through September 30, 2023.**

After carefully reviewing the audit examination reports, as well as the financial and accounting records of Capstone Federal Credit Union, the Supervisory Committee is pleased to report that the Credit Union is financially strong, and its fiscal operations are performed accurately. The Credit Union is also in compliance with the Credit Union's charter, federal regulations, and sound business practices.

The Supervisory Committee and members of the Credit Union staff are following up on recommendations from each of the above reports.

On behalf of the Supervisory Committee, it has been a pleasure to serve the membership this past year.

Respectfully submitted,

Sherry Fordham
Supervisory Committee Chairman



FINANCIAL STRENGTH

ASSETS	2023	2022	■ Increase ■ Decrease
Loans to Members	\$12,099,361	\$11,041,935	\$1,057,426
Less: Allowance for Loan Losses	31,839	19,645	12,194
Net Loans	\$12,067,521	\$11,022,290	\$1,045,231
Receivables	3,678	1,086	2,592
Cash	267,732	237,795	29,937
Investments	21,155,674	24,480,485	3,324,811
Prepaid and Deferred Expenses	115,312	152,221	36,908
Fixed Assets (Net)	13,275	19,013	5,738
Accrued Income	84,257	91,686	7,429
Deposit: National CU Share	314,039	326,834	12,795
Insurance Fund			
Other Assets	952,451	992,879	40,428
Total Assets	\$34,973,940	\$37,324,288	<b style="color: red;">\$2,350,348

LIABILITIES AND EQUITY

LIABILITIES

Accounts Payable	\$86,010	\$67,611	\$18,399
Taxes Payable	0	0	0
Accrued Expenses	9,847	9,245	602
Other Liabilities	0	0	0
Total Liabilities	\$95,858	\$76,856	\$19,002

EQUITY

Shares of Members	\$31,245,407	\$33,610,977	\$2,365,570
Regular Reserve	1,328,218	1,328,218	0
Undivided Earnings	2,304,457	2,308,237	3,780
Total Equity	\$34,878,082	\$37,247,432	<b style="color: red;">\$2,369,350
Total Liabilities & Equity	\$34,973,940	\$37,324,288	<b style="color: red;">\$2,350,348

FINANCIAL STRENGTH

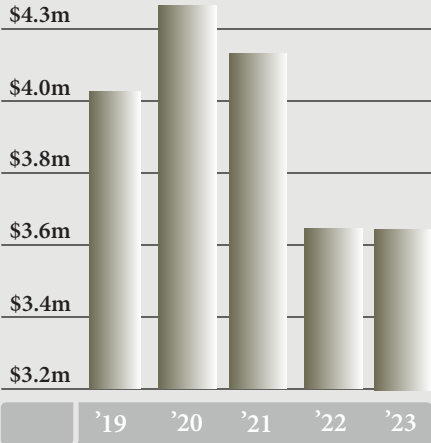
OPERATING INCOME	2023	2022	■ Increase ■ Decrease
Interest on Loans	\$517,286	\$440,066	\$77,220
Investment Income	488,603	409,008	79,595
Fees and Charges	68,578	55,956	12,622
Miscellaneous Income	81,198	79,619	1,579
Total Operating Income	\$1,155,665	\$984,650	\$171,016

EXPENSES

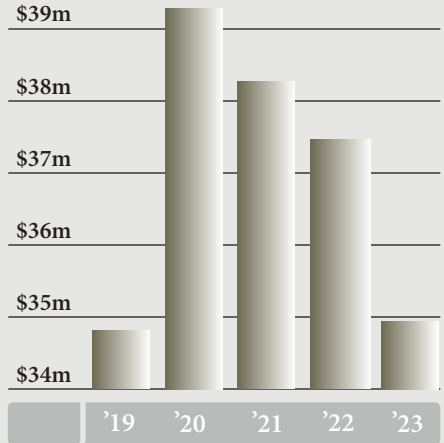
Compensation and Benefits	\$363,964	\$380,341	\$16,377
Travel and Conference	623	1,333	710
Association Dues	6,905	11,434	4,529
Office Occupancy	33,166	34,634	1,468
Office Operations	349,585	331,117	18,468
Education and Promotion	21,546	28,721	7,174
Loan Servicing	57,280	50,450	6,829
Professional and Outside Services	102,301	108,428	6,128
Provision for Loan Losses	22,389	13,990	36,379
Miscellaneous	9,245	10,876	1,631
Total Operating Expenses	\$967,004	\$943,344	\$23,660
Dividends	\$260,737	\$77,939	\$182,797
Interest on Borrowed Funds	14,166	695	13,471
Total Expenses	\$1,241,906	\$1,021,978	\$219,928
Non-operating Gain (Loss)	5,685	2	5,683
Net Income	-\$91,927	-\$37,331	\$54,596

FIVE YEARS AT A GLANCE

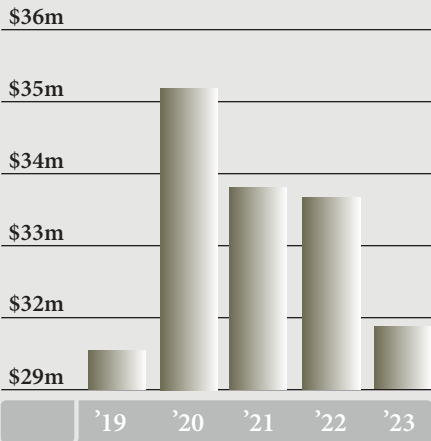
CAPITAL millions of dollars / years



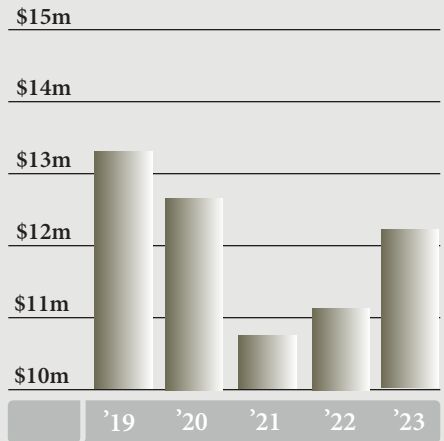
ASSETS millions of dollars / years



SHARES millions of dollars / years



LOANS millions of dollars / years



LOCATION

MAIN OFFICE

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Aliso Viejo, CA 92656

PHONE

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Fax (949) 716-5756

OFFICE HOURS

M,T,TH,F 8 a.m. - 4 p.m.
W 9 a.m. - 4 p.m.

WEB ADDRESS

www.capstonefcu.coop

THE CO-OP/ATM SHARED BRANCH LOCATOR

(888) SITECOOP
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www.co-opnetwork.org

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In the event of a disaster, call
(800) 854-7125 for information
regarding your CFCU account.



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