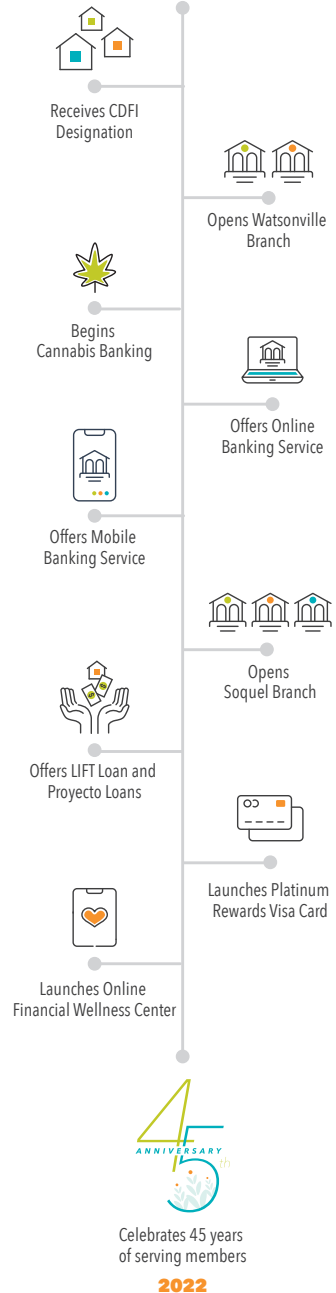




A Joint Message from the Board Chair and CEO **Celebrating a Milestone that Matters**



In 1977, our founders created Santa Cruz Community Credit Union to provide economic justice and financial access to all in our community. And 45 years later, the founding mission is still firmly in place. We're committed to providing all members access to affordable financial services, no matter where they may be in their financial journey.

In 2022, we celebrated our 45 years of providing ACCESSIBLE, AFFORDABLE, and INCLUSIVE services to our members. We launched a 45th Anniversary Celebration with many offerings and events throughout the year. Here are just a few highlights: *a new Platinum Rewards Visa Card, Quarterly Member Appreciation Days, special Certificate of Deposit offers throughout the year, a new, FREE Nimble Checking account, and expanded affordable loan opportunities (including LIFT Loans, Proyecto Hogar Loan Program, and Emergency Loans).*

Additionally, in keeping with our Member Access Plan, we made great strides in moving to a new Downtown location, and we're excited to announce our Santa Cruz office will open in its new location at the end of 2023.

We also celebrated our success as a community-development certified Credit Union, receiving both Credit Union and individual recognitions this past year through these incredible awards:

- Howard Sherer (Board Chair) received the **J. Alvin George Outstanding Volunteer Award** through the California/Nevada Credit Union League, which honors significant contributions by people who serve credit unions in volunteer capacities.
- Beth Carr (President/CEO) received the **2022 Social Impact Award through the California/Nevada Credit Union League**, recognizing those who demonstrate an unyielding dedication to building stronger communities and improving members' lives through actions.
- The Aptos Chamber of Commerce awarded the **Credit Union Business of the Year**.
- **The Marketing Team** received multiple national marketing awards for their work on **RETURN THE FAVOR** fundraising for non-profits and our new member eNewsletters.

Beyond the awards, we celebrated another year of giving back to our community in many ways. As a Community Development Financial Institution (CDFI), we continually seek new ways to provide financial assistance and support to our community, often through non-profits who live on

the front line of service delivery. This year we launched another successful RETURN THE FAVOR campaign, bringing in over \$43,000 from the community, and with the Board's approved match, we delivered \$88,955 to 11 local non-profit organizations. Additionally, we sponsored the 2022 AHEAD Grant for \$27,500 each to the Court Appointed Special Advocates (CASA) of Santa Cruz County and the Walnut Avenue Family & Women's Center. Lastly, we donated over \$10,000 to local non-profits and charities that devote themselves diligently to our community.

2022 did not pass without its challenges. All of us have experienced pain-related events due to inflation, Federal prime rate increases, storm-related issues, and floods in the county; these changes have taken their toll on our community's ability to live affordably. The Fed Fund rate increase throughout the country increased loan rates; however, the Credit Union focused on ensuring that borrowing is still available to all. Additionally, due to the Federal rate increases, we raised our certificate and money market account rates to allow our members to earn higher savings yields.

We experienced 12% loan growth during 2022, which we attribute to the launch of our new Platinum Rewards Visa Card, affordable manufactured home lending, and a continued focus on providing personalized loan service to members. Throughout 2022, we have consistently contacted our members affected by economic changes and disaster-related events to offer financial options and guidance to help recovery.

As our Member Access Plan continues, future plans also include an enhanced business service and loan program to help businesses thrive. Recently, we introduced a new Merchant Services program and will shortly launch a new business checking program. Ongoing, we continue to provide member business loans and guaranteed commercial loans through SBA and Cal Coastal RDC to help local businesses purchase equipment, build working capital, and more.

Throughout the year, we increased efforts to provide financial learning to our community, improving the number and depth of those training opportunities throughout the county. We launched our online Financial Wellness Center, which includes MoneyEDU, HerMoney, and Balance, all designed to give financial advice and guidance to members from all walks of life. In 2023, we are expanding those efforts with a new program called, Passport to Financial Freedom, which highlights eight introductory financial literacy courses

designed to give people a good start to a better financial future.

Recently, you received a member survey asking for feedback about your experiences with SCCCUCU. Many of you responded, and we appreciate the candid feedback we received to help us improve our service. One of the most significant issues addressed in the survey was improving our ATM service. That confirmed our evaluation of ATM issues, and we are pleased to announce new ATMs are rolling out across the county starting in April 2023. We also plan to provide additional member access by extending our Call Center hours in the third quarter of 2023.

Financial counseling tied to financial learning is yet another priority the Credit Union is focused on in 2023. Four of our staff are now enrolled in a certified Financial Counseling program. Upon graduation in June 2023, they will begin offering their help to members who want to set personal financial goals or move through a financial barrier with assistance from the Credit Union. We plan to increase the number of certified Financial Counselors at each branch over the next few years.

It is important to say that in light of recent bank closures and other natural disasters many have experienced, some of our members may have significant concerns about their financial future. We are your member-owned, locally focused financial cooperative, and you can be confident that your money is safe and secure at SCCCUCU. The Credit Union is well-capitalized, has strong liquidity, and never engages in risky investments because we are invested in you; our small and conservative investment portfolio is an additional strength to our liquidity. And, remember all your deposits are insured up to \$250,000 (and sometimes more) by the NCUA.

As we close this historic year, we are truly thankful for the ongoing support of our members; you believe in what we are doing, and honestly, we believe in what you are doing. You are resilient, and you can achieve your personally-planned financial success.

We wish you a wonderful 2023, and as we move toward the next Credit Union milestone together, we hope you will continue to celebrate with us and turn to us as your safe, local financial partner.

HOWARD SHERER, BOARD CHAIR

ELIZABETH CARR, PRESIDENT/CEO

FINANCIAL REPORT

INCOME	2022	2021
Loan Income	\$8,068,966	\$7,398,550
Investment Income	299,894	192,721
Non-Interest Income	\$5,808,216	4,032,053
Total Income	\$14,177,076	\$11,623,324

EXPENSES	2022	2021
Operating Expenses	\$9,774,703	\$8,567,571
Provision for Loan Losses	1,574,880	105,607
Dividends and Interest	244,184	226,713

Total Expenses	\$11,593,767	\$8,899,891
NET INCOME/(LOSS)	\$2,583,309	\$2,723,433

ASSETS	2022	2021
Total Loans	\$155,561,846	\$140,111,424
Allowance for Loan Losses	(1,280,373)	(749,650)
Net Loans	\$154,281,473	\$139,361,774
Cash	13,618,155	27,182,019
Investments	8,868,641	10,910,335
Fixed Assets	6,072,556	1,035,820
Other Assets	5,816,433	5,790,687

Total Assets	\$188,657,258	\$184,280,635
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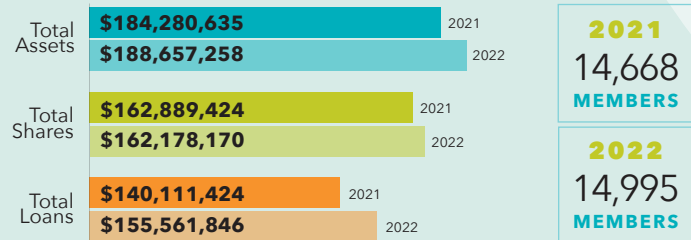
LIABILITIES, MEMBER EQUITY & RESERVES	2022	2021
Total Liabilities	\$9,113,600	\$6,547,851
Borrowed Funds	\$-	\$-

MEMBER EQUITY	2022	2021
Primary Shares	91,410,839	94,404,560
Checking/Money Market	52,175,917	56,380,174
Certificates	16,203,887	9,669,964
Individual Retirement Accounts	2,387,527	2,434,726

Total Deposits	\$162,178,170	\$162,889,424
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RESERVES	2022	2021
Total Reserves	\$17,365,488	\$14,843,360

Total Liabilities, Member Equity & Reserves	\$188,657,258	\$184,280,635
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Santa Cruz Community Credit Union is certified by the federal government as a Community Development and low-income Credit Union. Additionally, it holds a certification called "Juntos Avanzamos," which is awarded to credit unions who have demonstrated they have the commitment and the tools to serve the Latinx community.

REPORT OF THE SUPERVISORY COMMITTEE

The Supervisory Committee serves as the oversight committee for the membership and Board of Santa Cruz Community Credit Union. The volunteers on the Supervisory Committee bring professional expertise and experience to their oversight responsibilities, resulting in a comprehensive review of the Credit Union's operational practices, procedures and compliance.

Throughout 2022, we monitored the Credit Union's financial condition through a review of various audit and operating practices and procedures. The Supervisory Committee is responsible for ensuring that the financial statements accurately and fairly represent the financial condition of Santa Cruz Community Credit Union and that management practices and procedures safeguard member assets.

We review and select the CPA firm, which will perform the annual audit and member account verification. This Independent Auditor's Report covers the period of January through December 2022, and the findings of this report were reviewed by the Committee in April 2023.

The Supervisory Committee meets routinely with SCCCU management and spends time reviewing the various reports to determine that your Credit Union remains a safe place for your finances. The Supervisory Committee is pleased to report that Santa Cruz Community Credit Union remains financially safe and sound.

Linda Brown, Chair
Ulf Christensson, Committee Member
Suzanne MacLean, Committee Member

BOARD OF DIRECTORS

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