



an **Inclusive** organization
Maintaining Capstone's Strength



Built from a strong foundation

2021
Annual Report

an **Inclusive** organization

Capstone's Loyal Members Provide a Strong Foundation

2021 Executive Report

An Inclusive Organization: Capstone Shows Financial Strength in 2021

2021 was President Candice Landeros' ninth year leading Capstone FCU. The global pandemic continued, disrupting traditional ways of working and also driving innovation. Growing awareness of social and racial inequity caused many business leaders and individuals to rethink their priorities. As Capstone expands into a larger, more robust, and more inclusive organization, we are proud to say that we can do so from a position of financial strength and growth.

At \$38,127,721, our total assets are the second highest they have been in 5 years, and our capital is also the second highest it has been in 5 years, at \$4,233,971. Shares are at \$33,775,313, almost as high as they were in 2020. Our cash reserves grew 53.32%, and our investments grew 2.55%. Our total liabilities decreased by \$23,962. 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.

Once again, our operating expenses decreased, with a total decrease of \$6,221. We believe these numbers reflect our dedication to member support and services, while spending carefully on operations.

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 2022.

Respectfully submitted,

Sherry Fordham
Chairperson, Board of Directors

Candice Landeros
President/CEO

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 chairperson.

To assist us in monitoring the Credit Union's fiscal activities, we retained the services of **Debbra Jacobs-Robinson, a certified public accountant, for the audit period from September 30, 2020 - September 30, 2021.**

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,

Tim Albright
Supervisory Committee Chairman



an Inclusive organization: Capstone's Continued Growth

ASSETS	2021	2020	■ Increase ■ Decrease
Loans to Members	\$10,749,527	\$12,823,837	\$2,074,310
Less: Allowance for Loan Losses	29,206	66,892	37,687
Net Loans	\$10,720,321	\$12,756,945	-\$2,036,623
Receivables	3,720	58	3,663
Cash	389,083	253,777	135,305
Investments	25,478,862	24,844,857	634,005
Prepaid and Deferred Expenses	141,526	126,053	15,474
Fixed Assets (Net)	25,454	24,701	753
Accrued Income	73,074	88,682	15,608
Deposit: National CU Share	333,919	292,166	41,753
Insurance Fund			
Other Assets	961,761	1,102,527	140,766
Total Assets	\$38,127,721	\$39,489,765	\$1,362,044

LIABILITIES AND EQUITY

LIABILITIES

Accounts Payable	\$98,778	\$122,354	\$23,576
Taxes Payable	10	212	202
Accrued Expenses	19,648	19,832	184
Other Liabilities	0	0	0
Total Liabilities	\$118,436	\$142,398	\$23,962

EQUITY

Shares of Members	\$33,775,313	\$35,009,846	\$1,234,533
Regular Reserve	1,328,218	1,328,218	0
Undivided Earnings	2,905,754	3,009,303	103,549
Total Equity	\$38,009,285	\$39,347,367	\$1,338,082
Total Liabilities & Equity	\$38,127,721	\$39,489,765	\$1,362,044

Moving Forward: Capstone Demonstrates Its Resilience

OPERATING INCOME	2021	2020	■ Increase ■ Decrease
Interest on Loans	\$485,841	\$535,168	\$49,327
Investment Income	427,971	512,027	84,057
Fees and Charges	44,159	33,372	10,787
Miscellaneous Income	86,931	103,323	16,392
Total Operating Income	\$1,044,901	\$1,183,890	\$138,988
EXPENSES			
Compensation and Benefits	\$382,097	\$379,287	\$2,810
Travel and Conference	2,623	1,956	666
Association Dues	9,632	9,757	124
Office Occupancy	32,372	31,840	532
Office Operations	335,294	344,929	9,635
Education and Promotion	25,962	16,786	9,177
Loan Servicing	58,222	50,999	7,223
Professional and Outside Services	78,899	88,755	9,855
Provision for Loan Losses	20,125	14,997	5,128
Miscellaneous	12,535	14,422	1,887
Total Operating Expenses	\$917,511	\$923,733	\$6,221
Dividends	\$67,613	101,920	34,307
Interest on Borrowed Funds	153	97	56
Total Expenses	\$985,277	\$1,025,750	\$40,473
Non-operating Gain (Loss)	17,911	0	17,911
Net Income	\$77,535	\$158,140	\$80,605



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