

**M. MyPoint**  
Credit Union

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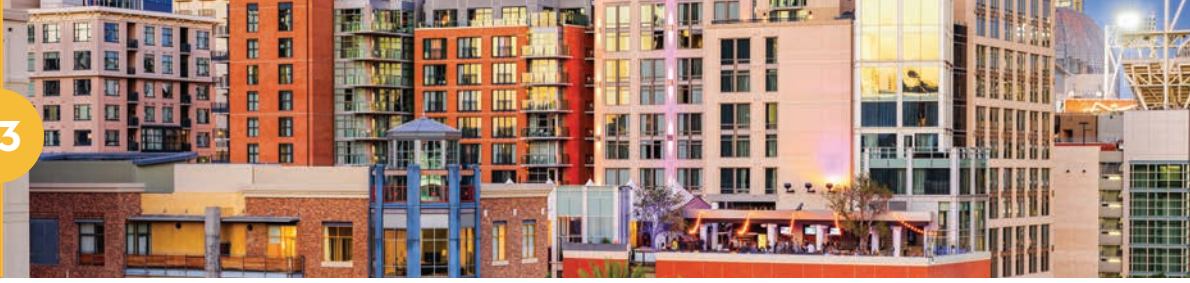


ANNUAL REPORT

**M. MyPoint**  
Credit Union

# Chairman's & President's Report

23



MyPoint Credit Union (MyPoint) is a member-owned not-for-profit financial institution committed to serving our members and helping them achieve their financial goals since 1948. Our commitment to providing safe and secure financial services remains our top priority. MyPoint has been focused on this mission since the Credit Union first opened to serve employees of the Naval Electronics Laboratory located in Point Loma.

The Credit Union started as Naval Electronics Laboratory Employees Federal Credit Union in a secretary's office, with a handful of loan applications and a fishing tackle box for a till. The first month's business totaled \$1,229 in assets and 114 members. Although our field of membership and name have changed over time, we have become more diverse and inclusive in the communities we serve. The dedicated volunteer Board of Directors and staff proudly serve over 27,000 members and small businesses with over \$657 million in assets.

### **Our purpose – the reason why we exist is “We help you do.”**

We fulfill that purpose by offering the products, services, advice, and financial education our members need to live life on their own terms. Our loans to members in 2023 topped \$474 million, and reported loan delinquency was well below our peers. We offer affordable financing through an array of loan products, including automobile, debt consolidation, lines of credit, credit cards, first and second real estate loans, and home equity lines of credit. We also help our members save energy and money by offering our eco-friendly “Green Living Loans” to finance eco-friendly products. We offer commercial real estate loans of all sizes and provide business credit cards.

### **Our members also look to us for their deposit needs.**

Total member shares ended the year at \$576 million. During 2023, we offered competitive term share certificates to help members offset the higher costs of inflation. More and more members continue to adopt San Diego's Best Checking Account – MyPoint's MyVIP checking account. Members with MyVIP checking accounts enjoy benefits such as cell phone protection, savings at local businesses, ID theft restoration aid, roadside assistance, an additional 0.25% rate on share certificates, and much more.

### **“We Help You Do” with financial education and our financial wellness programs.**

We have partnered with Zogo – a free, award-winning, gamified financial education platform with ever-expanding content that enables people of all ages to navigate online financial learning modules while earning gift cards for their favorite businesses. The number of users in 2023 more than doubled, a credit to the program's popularity. Users are now able to access Zogo in

English or Spanish. Community demand for in-person financial literacy education more than doubled in 2023, with 123 seminars for members and community partners and audiences ranging from middle school students to senior citizens. We also partner with GreenPath Financial Wellness to provide members with free, one-on-one financial counseling, debt management services, and financial education tools. Fraud prevention education remains a high priority as we continue to see sophisticated identity theft and scams. We provide real-world tips and regular updates to members on the latest scams.

### **MyPoint remains dedicated to the communities we serve.**

During 2023, we visited, sponsored, and participated in 90 community events throughout San Diego County. Our award-winning team brought home 16 awards! We were honored to win the Financial Institution of the Year from the Filipino Chamber of Commerce of Greater San Diego, the Large Business of the Year from the North San Diego Business Chamber, and the Corporate Philanthropy Award from North County Philanthropy. Another way we give back to the community is by annually awarding college scholarships to three young members. Each recipient can earn up to \$5,500 for college. MyPoint has awarded over \$300,000 in scholarships to MyPoint members since 1998. In addition, we raised over \$20,000 for El Zapaton, which provides children ages 5-17 with critical resources like new shoes, socks, backpacks, and hygiene kits.

### **We recognize the importance of small businesses in our community.**

The MyPoint team is very excited for 2024. Small business owners are integral to the success of the San Diego community and economy. We are continuing our efforts to expand our small business services as we “Celebrate Small Businesses” in the community by “Doing More Together.”

### **We are focused on making it easier for our members to do business with us.**

In February 2023, we celebrated our Carlsbad Branch move to a location with better freeway access. In April of 2023, we moved our 4S Ranch Branch closer to the heart of the business district of Rancho Bernardo. Both branches feature a ‘new look’ and are designed to promote a better member experience in an effort to better understand and fulfill their financial needs.

We are proud to be a part of San Diego, a one-of-a-kind community that is diverse and passionate. At MyPoint, we help the community – individuals, families, and local businesses – do more of the things they love in the city they call home. Our dedication to our members has resulted in a safe, sound, growing, and thriving Credit Union for our current and future members.

**Jeffrey M. Goecke**  
Chair, Board of Directors

**Matthew Rhead**  
Interim CEO/Chief Financial Officer

# Supervisory Committee Report

The Supervisory Committee is currently comprised of seven volunteers who are elected by the

membership of MyPoint Credit Union to represent their interests. The Supervisory Committee represents the membership's interests by determining whether:

- Internal controls are established and effectively maintained to achieve the Credit Union's financial reporting objectives;
- The Credit Union's accounting records and financial reports are promptly and accurately prepared;
- The relevant plans, policies, and control procedures established by the Board of Directors are properly administered; and
- Policies and control procedures are sufficient to safeguard against error, conflict of interest, self-dealing, and fraud.

In carrying out these responsibilities, the Supervisory Committee engaged the certified public accounting firm of Doeren Mayhew CPAs to perform an independent audit of MyPoint's December 31, 2023, financial statements and to conduct a routine verification of a sample of member accounts as of December 31, 2023. In the opinion of Doeren Mayhew, the financial statements referred to above present fairly, in all material respects, the financial position of MyPoint Credit Union, as of December 31, 2023, and the results of its operations and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Additionally, MyPoint's Internal Audit and Compliance Department assists the Supervisory Committee with its ongoing oversight responsibilities. Internal Audit and Compliance Department staff and qualified third-party service providers perform periodic audits of the Credit Union's operations and regularly monitor MyPoint's internal control environment and compliance activities. Department staff meets with the Supervisory Committee regularly to report observations and recommendations.

The Supervisory Committee extends its gratitude to the members, staff, and elected officials of MyPoint. As MyPoint continues to provide members with a safe and sound financial environment, we look forward to serving you throughout 2024.



**Mitchell B. Weingel**

Chair

## Statement of Financial Condition

Balance Sheet		As of December 31, 2023
<b>ASSETS</b>		
Cash		\$ 30,507,297
Interest Bearing Deposits		-
Held-to-Maturity Investments		\$ 119,195,715
Loans to Members (NET)		\$ 474,277,211
Accrued Interest Receivable		\$ 1,883,004
Prepaid and Other Assets		\$ 19,537,063
Property and Equipment		\$ 6,727,423
NCUSIF Deposit		\$ 5,554,689
<b>Total Assets</b>		<b>\$ 657,682,402</b>
<b>LIABILITIES</b>		
Members' Shares and Savings Accounts		\$ 576,795,653
Borrowed Funds		\$ 10,000,000
Accrued Expenses and Other Liabilities		\$ 15,148,077
<b>Total Liabilities</b>		<b>\$ 601,943,730</b>
<b>MEMBERS' EQUITY</b>		
Undivided Earnings		\$ 55,738,672
<b>Total Liabilities and Members' Equity</b>		<b>\$ 657,682,402</b>

Statement of Income		As of December 31, 2023
<b>INTEREST INCOME</b>		
Loans to Members		\$ 19,494,174
Investment Securities		\$ 4,142,875
<b>Total Interest Income</b>		<b>\$ 23,637,049</b>
<b>INTEREST EXPENSE</b>		
Members' Shares and Savings Accounts		\$ 4,160,607
Borrowed Funds		\$ 241,282
<b>Total Interest Expenses</b>		<b>\$ 4,401,889</b>
<b>NET INTEREST INCOME</b>		<b>\$ 19,235,160</b>
Provision for Loan Loss		\$ 315,960
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSS</b>		<b>\$ 18,919,200</b>
<b>NON-INTEREST INCOME</b>		
Fees and Charges		\$ 2,427,646
Interchange Income		\$ 1,793,307
Gain on Sale of Commercial Loan Participations		\$ 628,909
Gain on Sale of Mortgage Loans		\$ (1,764)
<b>Total Non-Interest Income</b>		<b>\$ 4,848,098</b>
<b>NON-INTEREST EXPENSES</b>		
Compensation and Benefits		\$ 12,842,823
Office Operations		\$ 5,418,540
Office Occupancy		\$ 1,458,923
Loan Servicing		\$ 878,056
Other		\$ 1,374,436
<b>Total Non-Interest Expenses</b>		<b>\$ 21,972,778</b>
<b>Net Income</b>		<b>\$ 1,794,520</b>

Statement of Retained Earnings	
Balance as of December 31, 2022	\$ 53,944,152
Net Income 2023	\$ 1,794,520
<b>Balance as of December 31, 2023</b>	<b>\$ 55,738,672</b>

# Treasurer's Report

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Despite the ongoing challenges mostly attributable to the changes in the economy regarding GDP, interest rates, and inflation, the Credit Union had a successful 2023. The Credit Union reported net income of approximately \$1.79 million for the year ended 2023, compared to approximately \$2.34 million during 2022. This equated to a return on average assets ratio of approximately 0.27% for the year ending December 2023 and 0.34% for the year ending December 2022. Total assets decreased by approximately \$29.17 million (-4.25%) and members' deposits decreased \$26.36 million (-4.37%), respectively. Outstanding loans to members decreased by approximately \$11.85 million (-2.44%). As a result of these changes, the Credit Union's loan to share ratio increased to 82.2% as of December 31, 2023, from 80.6% as of December 31, 2022.

For the year of 2023, the Credit Union's interest income increased by approximately \$1.55 million (8.93%). This increase was primarily a result of a much higher interest rate environment due to continued rate increases by the FOMC (Federal Open Market Committee) in 2023. As a result, the Credit Union's interest income to average assets ratio increased by 68 basis points, from 2.83% for the year ended December 31, 2022, to 3.51% for the year ended December 31, 2023.

The Credit Union's interest expense to average assets ratio increased from 0.22% in 2022, to 0.66% in 2023. In addition, the Credit Union incurred \$241,282 in interest on borrowed funds during 2023 related to a \$10 million loan from the Federal Home Loan Bank in 2019 and a \$10 million loan from the Federal Home Loan Bank in December 2020. The Credit Union paid back the \$10 million loan in March 2023. The remaining \$10 million loan will be paid back in August 2024.

The Credit Union's loan portfolio remained very strong. The Credit Union's provision for loan losses expense increased from a recapture of loan losses of approximately \$475,000 in 2022, to a loan loss expense of approximately \$316,000 in 2023. The Credit Union's net charge-off ratio decreased by 1 basis point to 0.08% for the year ended December 31, 2023, from 0.09% for the year ended December 31, 2022. The NCUA peer group average for this ratio was approximately 0.40% in 2023 and 0.21% for 2022.

The return on average assets ratio was 0.27% during the year ended December 31, 2023, combined with a (-4.25%) reduction in assets, resulted in a 49 basis points increase in the Credit Union's net worth ratio of 8.48% as of December 31, 2023, from 7.99% as of December 31, 2022. The National Credit Union Administration classifies MyPoint Credit Union as "well-capitalized."

Despite the challenging economy in 2023, MyPoint steadily grew its capital reserves while implementing effective operating plans in order to maintain the financial strength to serve its members. We will continue to offer competitive rates to both borrowers and savers, and we will continue to provide first-rate products and services to our entire membership. The Board of Directors, staff, and I look forward to helping MyPoint Credit Union continue to grow and prosper for many years to come.

Respectfully submitted,



**Mark R. Moeller**  
Treasurer

*"I, the undersigned, have reviewed these financial statements and, based on my knowledge, certify they fairly represent, in all material respects, MyPoint Credit Union's financial condition and results of operations."*



**Matthew Rhead**  
Interim CEO/Chief Financial Officer

# Volunteers & Staff

## Board of Directors

- Jeffrey M. Goecke, Chair
- Jane M. White, Vice Chair
- Mark R. Moeller, Treasurer
- Linda O. Stay, Secretary
- Jo Anna Lamott
- Salvatore J. Lupo
- Malcolm C. McCollum
- Ellen M. Schmall, President/CEO Emeritus

## Supervisory Committee

- Mitchell B. Weingel, Chair
- Bryan T. Hill, Secretary
- Dianna L. Ely
- Stephanie B. Garcia
- David W. Regenhardt
- Claudia Rempel
- Arnold Yoon

## Management

- Matthew Rhead, Interim CEO/Chief Financial Officer
- Peter S. Butler, Senior Vice President, Operations/Chief Operating Officer
- Matthew G. Mower, Senior Vice President, Information Technology/Chief Information Officer
- Christopher Crockett, Vice President, Retail Operations
- Janet Mainenti, Vice President, Human Resources
- Michael Kim, Vice President, Lending
- Scott Norris, Vice President, Marketing
- Adriana Brunner, Vice President, Community and Business Development

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Credit Union

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FEDERALLY  
INSURED  
BY NCUA 