

# Chair's Report

## 2020: Stable and growing

Your Credit Union Board of Directors and management team remain committed to the ongoing improvement and growth of Pasadena Federal Credit Union, continuing on our mission to be the premier financial institution in the city and in the San Gabriel Valley.

2020 was a challenging year for the country, and it was no different for the financial industry in general and Pasadena FCU in particular. Even so, while many financial institutions closed their branches, our Credit Union stayed open and created a safe environment for our members to conduct in-person transactions and for our employees to personally serve our members. As a result, the Credit Union continued to grow, as our Total Assets increased to over \$200 million while total membership grew to nearly 13,000 members.

Additionally, as other financial institutions reduced their lending and service levels, Pasadena FCU's staff continued to increase its efforts to support members, funding a record \$48 million in loans; you can see the results in the Annual Report, which shows that total loan balances grew by nearly \$20 million, or almost 20%.

Providing value to our members remained as our priority during the year. Pasadena FCU was recognized by Datatrac® with their "Great Rate Award" for our loan rates compared to other local financial institutions. We remain committed to providing affordable loans that help our members buy a new home, drive their next car, and build a better financial future.

Members continued to recognize the Credit Union as the best place to safely deposit their money, as deposit balances grew by over 20%. In contrast to other financial institutions that dropped their

deposit yields down to nearly zero as interest rates in the economy declined, Pasadena FCU increased the dividends paid to depositors by over 25% compared to the prior year.

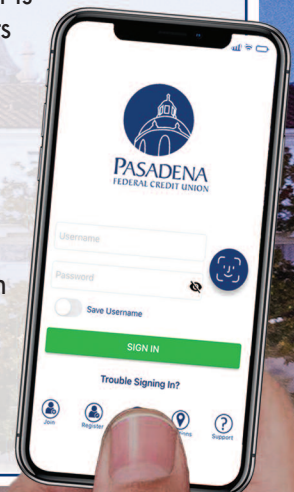
The increase in value-oriented loans and the higher dividends on deposits combined to create exceptional value for the members of this not-for-profit credit union. This cooperative financial institution was created to return value to individual members, compared to the big banks whose loyalty is to Wall Street. We continue to be grateful to our members for their ongoing trust, support, and participation.

Additionally, I want to thank the employees of Pasadena FCU for their ongoing dedication and service to the members, especially during a challenging 2020. They maintained their high service levels and friendly approach throughout the year, and their efforts are appreciated.

We are looking forward to a transformative 2021, which included the launch of our new Online Banking and Mobile Banking solutions at the start of the year to complement the new website introduced in March 2020. The Credit Union is also looking toward expanding its presence in the Pasadena area, exploring opportunities to add a branch office before the end of this year and looking for other ways to further increase our ability to serve our members.

Thank you for your membership in Pasadena Federal Credit Union.

**Richard Haluschak**  
Board Chair



**PASADENA**  
FEDERAL CREDIT UNION

*Stepping into the Future*

## 2020 Annual Report

### Board of Directors

R. Haluschak, Chair  
D. Duong, Vice Chair  
D. Coates, Secretary  
V. Jones, Treasurer  
R. Derderian, Director  
B. Weitkamp, Director Emeritus  
R. Bicker, Director Emeritus

### Supervisory Committee

D. Duong, Chair  
J. McDermott  
L. Hammond  
K. Law

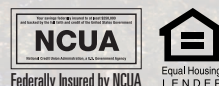
### President/CEO

Gary Skraba



**PASADENA**  
FEDERAL CREDIT UNION

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Facebook: Pasadena FCU  
Instagram: pasadena.fcu



# President's Report

2020 was a challenging year, and it was important for Pasadena Federal Credit Union to be a solid constant for our members during this unprecedented year. We are grateful to our membership, who further demonstrated trust with their participation in their Credit Union by increasing deposit balances, loan balances, and referrals for family members and colleagues to join Pasadena FCU.

During this past calendar year, the Credit Union's assets grew by an astounding 18.4%, growing this non-profit cooperative to over \$200 million in assets. These assets included nearly 20% growth in loans as we continue to help members build a better financial future. Additionally, during a year in which most credit unions our size lost members, Pasadena FCU grew again by over 5% for the third straight year, and we now serve nearly 13,000 members.

Also for the second consecutive year, Pasadena FCU was voted as the "Favorite Credit Union" in the San Gabriel Valley by the readers of the San Gabriel Valley News Group publications and by readers of Beacon Media News publications. Toward the end of the year, Pasadena FCU was again voted as "Best Credit Union in Pasadena" by readers of Pasadena Weekly.

We are deeply honored by these awards, and we are committed to maintaining the warm

relationships we have with our members as we continue to grow. Although there were limitations to our in-person interactions during 2020, we still found ways to support our local community, and we look forward to additional opportunities in 2021 and beyond.

I am also very grateful to our hard-working staff for their service to our members as well as for their resiliency and relentlessly positive approach during this past year.

For the year ahead, 2021 started well with the introduction of our new, enhanced Online Banking and Mobile Banking solutions, and more changes are ahead to increase convenience for our members. For example, we are looking to open a new branch office before the end of the year. Please watch our website, read our quarterly newsletter, and subscribe to our monthly eNewsletter for all of the latest news about your Credit Union's growth and plans for the future.

We truly appreciate our members who have chosen us to be their trusted financial partner, and we thank you for your valued membership.

**Gary Skraba**  
President/CEO

# Supervisory Committee Report

It is the responsibility of the Supervisory Committee to serve as an advocate for the membership by ensuring that the Credit Union is operated in a fiscally sound manner, and to safeguard its members' best interests. To assist in this duty, the committee engaged Turner, Warren, Hwang & Conrad, AC, an independent certified public accounting firm to perform our annual audit in 2020. It is the opinion of the Supervisory Committee that the financial statements published in this report fairly and accurately represent Pasadena Federal Credit Union's financial condition, and that Pasadena Federal Credit Union is managed in accordance with state and federal regulations.

**Doug Duong**  
Chair, Supervisory Committee

# STATEMENT OF FINANCIAL CONDITION

Assets	December 31, 2020	December 31, 2019	% Change
Cash & cash equivalents	\$ 35,950,799	\$ 29,523,615	21.77%
Investments:			
Securities held-to-maturity	9,698,103	27,675,926	-64.96%
Other	33,365,005	12,162,000	174.34%
Loans, net	119,225,754	99,687,459	19.60%
Accrued interest receivable	362,056	384,199	-5.76%
Premises and Equipment, net	2,219,214	2,362,789	-6.08%
Share insurance capitalization deposits	1,611,151	1,397,880	15.26%
Other assets	8,506,743	4,946,627	71.97%
<b>Total Assets</b>	<b>\$ 210,938,824</b>	<b>\$ 178,140,496</b>	<b>18.41%</b>
<b>Liabilities and Members' Equity</b>			
Liabilities			
Members' shares	\$ 192,954,541	\$ 159,979,386	20.61%
Accrued expenses & other liabilities	1,151,726	1,104,751	4.25%
Total Liabilities	\$ 194,106,266	\$ 161,084,137	20.50%
Members' Equity			
Regular Reserve	\$ 2,375,584	\$ 2,375,584	0.00%
Undivided Earnings	14,456,974	14,680,776	-1.52%
Total Members' Equity	\$ 16,832,558	\$ 17,056,360	-1.31%
<b>Total Liabilities &amp; Members' Equity</b>	<b>\$ 210,938,824</b>	<b>\$ 178,140,496</b>	<b>18.41%</b>

# INCOME STATEMENT

Interest Income	December 31, 2020	December 31, 2019	% Change
Loans	\$ 4,323,582	\$ 3,810,802	13.46%
Investments	651,703	1,321,018	-50.67%
Total Interest Income	\$ 4,975,285	\$ 5,131,820	-3.05%
Interest on Borrowed Money	\$ 6	\$ 1,896	-99.69%
Dividends on Members' Shares	981,023	782,492	25.37%
Total Interest Expense	\$ 981,029	\$ 784,388	25.07%
Net Interest Income	\$ 3,994,256	\$ 4,347,431	-8.12%
Provision for Loan Losses	119,396	111,166	0.07%
<b>Net Interest Income After Provisions for Loan Losses</b>	<b>\$ 3,874,860</b>	<b>\$ 4,236,265</b>	<b>-8.53%</b>
Interchange Income, Fees & Charges	\$ 1,273,631	\$ 1,443,752	-11.78%
Rental Income	186,024	180,504	3.06%
Other	89,054	126,309	-29.50%
Total Non-Interest Income	\$ 1,548,709	\$ 1,750,565	-11.53%
Compensation & Benefits	\$ 3,064,698	\$ 3,067,062	-0.08%
Office Operations	1,545,442	1,513,697	2.10%
Office Occupancy & Other	1,190,898	1,247,533	-4.54%
NCUSIF premium assessment	0	0	
Total Non-Interest Expenses	\$ 5,801,039	\$ 5,828,292	-0.47%
<b>Net Non-Interest Income</b>	<b>\$ (4,252,330)</b>	<b>\$ (4,077,728)</b>	<b>4.28%</b>
<b>Operating Income/Loss</b>	<b>\$ (377,470)</b>	<b>\$ 158,538</b>	<b>-338.09%</b>
Non-Operating Income/Expense	153,668	(2,458)	-6351.75%
<b>Net Income/Loss</b>	<b>\$ (223,802)</b>	<b>\$ 156,080</b>	<b>-243.39%</b>

