



PASADENA  
FEDERAL CREDIT UNION

**2023**

# **ANNUAL REPORT**



# OUR STORY

**1935**

Pasadena Federal Credit Union was founded in 1935 by a small group of City of Pasadena employees who wanted a safe, fair place to save and borrow money. Our first "office" was a window in the City Treasurer's office.

**1980**

We moved from the tower of Pasadena City Hall, but remained committed to being the locally-focused financial institution that serves the residents of Pasadena and local communities.

**2023**

Pasadena FCU and Pasadena Service FCU announced their plan to merge. Pasadena FCU became community-chartered, expanding our reach from the corners of Covina, Huntington Park, and Glendale.

**2024**

On March 1, 2024, The NCUA approved the historical merger between Pasadena FCU and Pasadena Service FCU. We look forward to providing our members with more member access, more branch locations, better response to evolving financial needs, enhanced digital banking experience, and more.



**PASADENA**  
FEDERAL CREDIT UNION

**my**  **SFCU**

A DIVISION OF PASADENA FEDERAL CREDIT UNION

# CEO MESSAGE

Dear Valued Members,

The completion of our merger with Pasadena Service Federal Credit Union is a significant milestone that marks a new chapter in our journey towards greater success for both credit unions. This merger is not just a unifying of two strong community-focused credit unions, but a fusion of values, expertise, and aspirations. Together, we are stronger, more resilient, and better positioned to navigate the ever-evolving landscape of the financial industry.

I want to extend my deepest gratitude to everyone who has played a role in making this merger a reality. Your dedication, hard work, and unwavering commitment have been instrumental in ensuring a smooth transition and laying the foundation for our future growth.

At Pasadena Federal Credit Union, we are committed to being more than just a financial institution; we are your trusted partner on the path to financial success. For over 85 years, we have strived to build lasting relationships with all our members by understanding your unique needs and financial aspirations. It is this deep connection that drives us to continuously innovate and evolve, ensuring that we exceed your expectations at every turn.

I am thrilled to announce that we are entering a new era of growth and opportunity. As we embark on this new phase of our journey, I am incredibly optimistic about the opportunities that lie ahead. This merger has provided us with a larger, more robust platform to deliver enhanced value and unparalleled services to our members. We are now better equipped to meet the evolving needs of our members and provide innovative solutions.

But our commitment to you goes beyond just products and services. We are dedicated to providing an unparalleled banking experience that is built on trust, transparency, and integrity. Whether you're planning for the future or buying your dream home, you can count on us to be there every step of the way, offering personalized solutions and expert guidance to help you achieve your goals. One of the key strengths of this merger is the complementary nature of our credit unions—by leveraging our combined strengths and expertise, we are well-positioned to capitalize on synergies, optimize efficiencies, and unlock new avenues for growth. Together, we will continue to strive for excellence in everything we do, delivering superior financial solutions that empower our members to achieve their goals.

Moreover, this merger opens exciting possibilities for our employees. It creates a dynamic environment where talent, creativity, and innovation are not just encouraged but celebrated. As we continue to integrate our teams and cultures, I am confident that we will foster a workplace where every individual can thrive, grow, and make a meaningful contribution to our collective success.

In closing, I want to reiterate my heartfelt appreciation for your continued support and dedication to the credit union. Together, we have achieved a significant milestone, but our journey is far from over. With passion, perseverance, and a shared vision, I am confident that we will continue to build on our success and seize the countless opportunities that lie ahead. Thank you for your trust, support, and unwavering loyalty. Here's to a bright and prosperous future together.

Sincerely,

**James Chang**

**President & CEO Pasadena Federal Credit Union**

# BOARD CHAIR MESSAGE

Dear Valued Members,

As we reflect on the journey of the past year, we are filled with both gratitude and excitement. The challenges brought about by the COVID-19 pandemic have been met with resilience and unity, and we are immensely proud of how much we have accomplished.

We are thrilled to announce the successful merger of Pasadena Federal Credit Union (PFCU) and Pasadena Service Federal Credit Union (PSFCU). This partnership represents a milestone in our commitment to better serve our communities, combining our strengths, resources, and expertise to provide an even higher level of service and support to you, our valued members.

This merger would not have been possible without the trust and loyalty you have placed in us over the years. Your unwavering support has enabled us to grow and thrive, and for that, we are deeply grateful.

We extend our sincere appreciation to our CEO, James Chang, Senior Management team, and staff, for their hard work, dedication, and unwavering commitment to excellence. Your tireless efforts have played a pivotal role in making this merger a reality, and we are immensely proud to have such a talented and passionate team by our side.

As we embark on this new chapter together, we remain firmly committed to our mission of empowering our members and communities to achieve financial well-being. We are excited about the opportunities that lie ahead and are confident that together, we will continue to build a brighter future for all.

Thank you once again for your continued support and trust. We are honored to serve you and look forward to the journey ahead.

Warm regards,

**Mike Izuno**

**Chair, Board of Directors**

**Pasadena Federal Credit Union**

# TREASURER MESSAGE

For over 85 years, we have been able to accomplish so much through the hard work and commitment of our dedicated Board, Management Team, and staff.

The historical merger between Pasadena Federal Credit Union and Pasadena Service Federal Credit Union will afford us the opportunity to expand our offering of fiscally sound products and services to meet our members' increasing financial needs.

As we grow, we will use this advantage to expand our personal connections with our members and meet their needs by providing affordable loan products, investments, financial literacy, and competitive rates. This will be accomplished by utilizing the latest technologies, assessing service offerings, and resourcefully generating new business.

In this post-pandemic era, we will continue our commitment to reach out and implement programs to assist and offer financial services to the underserved communities.

**Virginia Dedeaux**  
**Treasurer, Board of Directors**  
**Pasadena Federal Credit Union**

# **SUPERVISORY COMMITTEE REPORT**

## **Pasadena Federal Credit Union**

It is the Supervisory Committee's role to serve as an advocate for the credit union membership, by ensuring that the Credit Union is operating in a fiscally sound manner and by safeguarding its members' interests. To assist in this duty, the committee engaged Turner, Warren, Hwang & Conrad, AC, an independent certified public accounting firm to perform the 2023 annual audit. It is the opinion of the Supervisory Committee that the financial statements published in this report fairly and accurately present Pasadena Federal Credit Union's financial condition, and that Pasadena Federal Credit Union operates in accordance with state and federal regulations.

**Jim McDermott**  
**Chair, Supervisory Committee**  
**Pasadena Federal Credit Union**

# FINANCIAL REPORT

## Pasadena Federal Credit Union

	2023	2022
<b>ASSETS</b>		
Cash and cash equivalents	\$ 10,342,579	\$ 2,255,038
Investments:		
Debt securities available for sale	83,924,618	61,891,372
Equity securities	25,000	25,000
Other	22,556,000	16,872,000
Loans receivable, net	146,604,106	141,741,858
Accrued interest receivable	741,607	404,419
Property and equipment	851,561	409,319
Operating right-of-use (ROU) assets	1,610,034	1,995,189
National Credit Union Share Insurance Fund (NCUSIF) deposit	1,901,083	1,903,979
Other assets	2,354,944	2,516,648
<b>Total assets</b>	<b>\$ 270,911,532</b>	<b>\$ 230,014,822</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
Liabilities:		
Members' share accounts	\$ 250,074,510	\$ 203,913,343
Borrowed funds	-	6,550,000
Accrued expenses and other liabilities	3,086,811	1,608,621
Operating lease liabilities	1,642,595	2,015,387
<b>Total liabilities</b>	<b>254,803,916</b>	<b>214,087,351</b>
Members' equity:		
Undivided earnings	21,839,407	22,369,244
Accumulated other comprehensive loss	(5,731,791)	(6,441,773)
<b>Total members' equity</b>	<b>16,107,616</b>	<b>15,927,471</b>
<b>Total liabilities and members' equity</b>	<b>\$ 270,911,532</b>	<b>\$ 230,014,822</b>

	2023	2022
<b>INTEREST INCOME</b>		
Loans receivable	\$ 5,709,051	\$ 4,637,436
Interest-bearing accounts and investments	2,705,878	700,852
<b>Total interest income</b>	<b>8,414,929</b>	<b>5,338,288</b>
<b>INTEREST EXPENSE</b>		
Members' share accounts	3,336,485	762,477
Interest on borrowed funds	157,868	14,259
<b>Total interest expense</b>	<b>3,494,353</b>	<b>776,736</b>
<b>NET INTEREST INCOME</b>	<b>4,920,576</b>	<b>4,561,552</b>
<b>PROVISION (CREDIT) FOR LOAN LOSSES</b>	<b>269,056</b>	<b>(35,000)</b>
<b>NET INTEREST INCOME AFTER PROVISION (CREDIT) FOR LOAN LOSSES</b>	<b>4,651,520</b>	<b>4,596,552</b>
<b>NON-INTEREST INCOME</b>		
Deposit service charges and related fee income	620,809	617,239
Interchange income	946,629	955,262
Other income	300,493	174,984
<b>Total non-interest income</b>	<b>1,867,931</b>	<b>1,747,485</b>
<b>NON-INTEREST EXPENSE</b>		
Compensation and benefits	2,695,148	3,156,957
Office operations	3,549,978	3,321,325
Occupancy	642,156	648,227
Other	162,006	75,945
<b>Total non-interest expense</b>	<b>7,049,288</b>	<b>7,202,454</b>
<b>NET LOSS</b>	<b>\$ (529,837)</b>	<b>\$ (858,417)</b>

# **SUPERVISORY COMMITTEE REPORT**

## **Pasadena Service Federal Credit Union**

It is the Supervisory Committee's role to serve as an advocate for the credit union membership, by ensuring that the Credit Union is operating in a fiscally sound manner and by safeguarding its members' interests. To assist in this duty, the committee engaged Turner, Warren, Hwang & Conrad, AC, an independent certified public accounting firm to perform the 2023 annual audit. It is the opinion of the Supervisory Committee that the financial statements published in this report fairly and accurately present Pasadena Service Federal Credit Union's financial condition, and that Pasadena Service Federal Credit Union operates in accordance with state and federal regulations.

**Abe Rasheed**

**Chair, Supervisory Committee**

**Pasadena Service Federal Credit Union**



# FINANCIAL REPORT

## Pasadena Service Federal Credit Union

	2023	2022
<b>ASSETS</b>		
Cash and cash equivalents	\$ 8,944,438	\$ 3,859,832
Investments:		
Debt securities available for sale, at fair value (amortized cost of \$45,580,122 and \$47,409,716)	43,463,378	44,444,843
Debt securities held to maturity, at amortized cost (fair value of \$11,264,023 and \$12,334,637)	12,708,850	13,962,823
Other	1,218,559	2,075,660
Loans receivable, net of allowance for credit losses of \$732,004 and \$519,900	78,461,264	79,715,623
Accrued interest receivable	400,390	321,049
Property and equipment	3,696,409	3,277,482
National Credit Union Share Insurance Fund (NCUSIF) deposit	1,360,290	1,382,131
Other assets	5,226,046	5,079,878
<b>Total assets</b>	<b>\$ 155,479,624</b>	<b>\$ 154,119,321</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
Liabilities:		
Members' share accounts	\$ 138,721,315	\$ 138,908,016
Borrowed funds	-	1,500,000
Accrued expenses and other liabilities	2,836,695	2,352,475
<b>Total liabilities</b>	<b>141,558,010</b>	<b>142,760,491</b>
Members' equity:		
Undivided earnings	15,158,434	13,443,779
Equity acquired in merger	879,924	879,924
Accumulated other comprehensive loss	(2,116,744)	(2,964,873)
<b>Total members' equity</b>	<b>13,921,614</b>	<b>11,358,830</b>
<b>Total liabilities and members' equity</b>	<b>\$ 155,479,624</b>	<b>\$ 154,119,321</b>

	2023	2022
<b>INTEREST INCOME</b>		
Loans receivable	\$ 3,919,822	\$ 3,323,278
Interest-bearing accounts and investments	1,885,378	1,084,324
<b>Total interest income</b>	<b>5,805,200</b>	<b>4,407,602</b>
<b>INTEREST EXPENSE</b>		
Members' share accounts	607,965	210,002
Borrowed funds	35,797	10,354
<b>Total interest expense</b>	<b>643,762</b>	<b>220,356</b>
<b>NET INTEREST INCOME</b>	<b>5,161,438</b>	<b>4,187,246</b>
<b>PROVISION FOR CREDIT LOSS EXPENSE</b>	<b>363,537</b>	<b>144,973</b>
<b>NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSS EXPENSE</b>	<b>4,797,901</b>	<b>4,042,273</b>
<b>NON-INTEREST INCOME</b>		
Deposit service charges and related fee income	1,012,525	847,750
Interchange income	122,162	123,564
Loss on sale of debt securities available for sale	-	(58,391)
Other income	706,997	374,055
<b>Total non-interest income</b>	<b>1,841,684</b>	<b>1,286,978</b>
<b>NON-INTEREST EXPENSE</b>		
Compensation and benefits	2,249,635	2,079,625
Operations	1,032,068	981,361
Occupancy	389,480	401,454
Other expenses	1,115,434	885,298
<b>Total non-interest expense</b>	<b>4,786,617</b>	<b>4,347,738</b>
<b>NET INCOME</b>	<b>\$ 1,852,968</b>	<b>\$ 981,513</b>

# OUR TEAM

As of August 2024

## Board of Directors

Chair: Mike Izuno  
Vice Chair: Jim McDermott  
Treasurer: Virginia Dedeaux  
Secretary: Kristen Sullivan  
Ron Derderian  
Doug Duong  
Richard Haluschak  
Veronica Jones  
Korbin Law  
Christine Voyvodich

## Supervisory Committee

Chair: Abe Rasheed  
Mike Finkenbinder  
Beverly Knapp  
Armine Trashian

## Executive Team

Chief Executive Officer: James Chang  
Executive Vice President: Nicole Smith  
VP of Marketing: Melinda Leung-Francis  
VP of Human Resources: Melinda Quan  
VP of Compliance and Risk: Mario Rodriguez  
VP of Finance: Michael Taylor  
VP of Lending: Kathy Tichenor

