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## Board of Directors

- D. Duong, Board Chair
- J. McDermott, Vice Chair
- L. Hammond Sr., Secretary
- K. Law, Treasurer
- R. Derderian, Director
- R. Haluschak, Director
- V. Jones, Director

## Supervisory Committee

- J. McDermott, Chair
- S. Mendoza
- A. Trashian
- C. Treviño

## President/CEO

- Peter Sainato, *Interim*



# 2022 ANNUAL REPORT

## CHAIR'S REPORT

2022 was a transitional year for Pasadena Federal Credit Union. We opened our first new branch location which is central to where most of our members live, making it more convenient than ever before. The new branch provides a welcoming, consultative environment with modern amenities to help members build their future.

During this past year, the Credit Union focused on these important strategic initiatives:

- Launched a new online and mobile banking platform with greater functionality.
- Enhanced our technology capabilities, improving members' data security.
- Increased donations for the third consecutive year to support local community initiatives.
- Relocated the branch to a location closer to the residences of a majority of our members.
- Received recognition from readers of local publications and voted as their favorite credit union.

In addition, we wanted to do something special to honor the Rose Bowl's 100th anniversary and offered members \$100 bonuses for any new car loan or Visa credit card. This iconic centennial was a historic event, and our members appreciated the community outreach as we were able to celebrate together!

In 2022, we funded over \$51 million in loans to members, including nearly \$12 million in mortgages, over \$6 million in home equity loans and nearly \$27 million in vehicle loans! We pride ourselves in helping members finance their biggest purchases at the lowest

possible rates around the country. We also funded thousands of unsecured loans, including low, fixed-rate credit cards, to help members with everyday savings. Lending to our communities is our core purpose and we will always be there to serve them. Since joining the Board of Directors in 2016, I have seen the Credit Union nearly triple our loan portfolio from \$51 million to over \$147 million.

Financially, we continued to invest in and give back to our membership. The Credit Union had a stable year with Total Assets of \$235.6 million at 12/31/22. Our Net Worth remained strong at 9.67%.

Pasadena Federal Credit Union is poised for another prosperous year in 2023 with our new branch and community center. We will continue to give back to our membership and provide the most competitive rates and products in the nation. Your Board of Directors look forward to doing our best to engage, educate, and inspire our local community and beyond.

**Doug Duong**  
Board Chair





## PRESIDENT'S REPORT

2022 was a year dedicated towards building the new North Lake Branch to elevate the level of member service and provide a welcoming space for our members. We dreamt big and made every effort to secure the best architects and builders in the industry for the new facility. Pasadena Federal Credit Union had not built a new branch in over four decades and this occasion was a special moment in our history. We were excited as construction began on August 2, 2022 and our dream was on its way to becoming a reality!

During the construction phase, members used our adjoining temporary branch to do business with us and their patience was deeply appreciated. We are also grateful to our employees for their resilience and positive attitude throughout the process.

We wanted to express our gratitude and reward our members for their patience and understanding with a Grand Opening Special Promotion, which was a share certificate rate that far surpassed most of

the highest rates in the country. This was made available during December 2022 and January 2023 and was well-received from members throughout all the communities we serve.

While we had hoped to open the branch in December, supply chain issues surfaced, thereby causing unexpected delays of the new branch debut. Nonetheless, the new North Lake Branch officially opened its doors for business on January 26, 2023, and this beautiful space is now available for our members to enjoy.

Looking ahead, a new member community room is being built adjacent to the new branch and is set to open in the second quarter of 2023. We look forward to expanding our offerings and capabilities to provide a more personalized level of service.

**Peter Sainato**  
Interim 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.

An annual audit is being performed by an independent, Certified Public Accounting firm to determine the financial position of the Credit Union. When the audit is completed, it will be reviewed by the Supervisory Committee and shared with the membership.

**Jim McDermott**  
Chair, Supervisory Committee

## STATEMENT OF FINANCIAL CONDITION (UNAUDITED)

Assets	December 31, 2022	December 31, 2021	% Change
Cash & cash equivalents	\$ 2,556,578	\$ 17,490,140	-85.38%
Investments:			
Securities available-for-sale	61,511,403	59,913,998	2.67%
Other	14,144,005	18,888,005	-25.12%
Loans, net	146,722,693	130,619,816	12.33%
Accrued interest receivable	462,619	389,870	18.66%
Premises and Equipment, net	2,636,604	328,648	702.26%
Share insurance capitalization deposits	1,903,979	1,849,252	2.96%
Other assets	5,690,268	5,671,592	0.33%
<b>Total Assets</b>	<b>\$ 235,628,147</b>	<b>\$ 235,151,322</b>	<b>0.20%</b>
<b>Liabilities and Members' Equity</b>			
Liabilities			
Shares & Deposits	\$ 209,763,347	\$ 211,796,231	-0.96%
Accrued expenses & other liabilities	9,197,443	878,640	946.78%
<b>Total Liabilities</b>	<b>\$ 218,960,790</b>	<b>\$ 212,674,871</b>	<b>2.96%</b>
Members' Equity			
Regular Reserve	\$ 2,375,584	\$ 2,375,584	0.00%
Undivided Earnings	20,409,388	20,741,423	-1.60%
Accumulated Unrealized Gains (Losses) on AFS Securities	(6,117,615)	(640,556)	855.05%
<b>Total Members' Equity</b>	<b>\$ 16,667,357</b>	<b>\$ 22,476,451</b>	<b>-25.85%</b>
<b>Total Liabilities &amp; Members' Equity</b>	<b>\$ 235,628,147</b>	<b>\$ 235,151,322</b>	<b>0.20%</b>

## INCOME STATEMENT (UNAUDITED)

Interest Income	December 31, 2022	December 31, 2021	% Change
Loans	\$ 4,806,614	\$ 4,497,421	6.87%
Investments	818,991	418,302	95.79%
<b>Total Interest Income</b>	<b>\$ 5,625,604</b>	<b>\$ 4,915,723</b>	<b>14.44%</b>
Interest on Borrowed Money	\$ 154,783	\$ 5	3300186.14%
Dividends on Shares & Deposits	792,458	798,695	-0.78%
<b>Total Interest Expense</b>	<b>\$ 947,241</b>	<b>\$ 798,700</b>	<b>18.60%</b>
<b>Net Interest Income</b>	<b>\$ 4,678,363</b>	<b>\$ 4,117,023</b>	<b>13.63%</b>
Provision for Loan Losses	44,042	51,550	-14.56%
<b>Net Interest Income After Provisions for Loan Losses</b>	<b>\$ 4,634,321</b>	<b>\$ 4,065,473</b>	<b>13.99%</b>
Interchange Income, Fees & Charges	\$ 1,634,019	\$ 1,525,249	7.13%
Rental Income	0	86,526	-100.00%
Other	123,799	113,418	9.15%
<b>Total Non-Interest Income</b>	<b>\$ 1,757,818</b>	<b>\$ 1,725,193</b>	<b>1.89%</b>
Compensation & Benefits	\$ 3,130,693	\$ 3,113,226	0.56%
Office Operations	1,801,757	1,689,942	6.62%
Office Occupancy & Other	1,791,724	1,504,254	19.11%
<b>Total Non-Interest Expenses</b>	<b>\$ 6,724,174</b>	<b>\$ 6,307,421</b>	<b>6.61%</b>
<b>Net Non-Interest Income</b>	<b>\$ (4,966,356)</b>	<b>\$ (4,582,229)</b>	<b>8.38%</b>
<b>Operating Income/Loss</b>	<b>\$ (332,035)</b>	<b>\$ (516,755)</b>	<b>-35.75%</b>
Non-Operating Income/Expense	0	6,801,205	-100.00%
<b>Net Income/Loss</b>	<b>\$ (332,035)</b>	<b>\$ 6,284,450</b>	<b>-105.28%</b>

