

2024 Annual Report



Years
of bringing
communities
together

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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

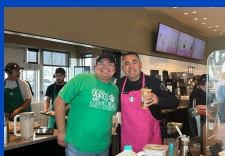
We moved from the tower of Pasadena City Hall, but remained committed to being the locally-focused financial institution that serves the residents of Pasadena and local communities.

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.



COMMITMENT TO COMMUNITIES

Bite of Reality @ John Muir High School



We hosted 'Bite of Reality,' a game designed to empower teens with essential money management skills. From navigating credit cards to planning for unexpected expenses, students dove into real-world scenarios and honed their financial literacy.

Our Regional Branch Manager, Diana Herrera, represented us at the Pasadena High School Career Exploration Fair, where she shared our commitment to empowering youth through financial education and highlighted the exciting career opportunities available in the financial industry.



Pasadena High School Career Exploration Fair

Coffee with a Cop with our Bell Gardens Team



Our Bell Gardens team had the opportunity to build meaningful connections with the Bell Gardens Police Department and discuss future credit union initiatives focused on community engagement and development.

As part of our commitment to promoting financial literacy and smart money management, we've joined the City of Pasadena's ROSE Program—an internship initiative for local youth and young adults ages 14–24 from low- to moderate-income households. Our Branch Manager Veronica Reigelman represented us and shared financial tips such as how to save and spend money smartly.



City of Pasadena's ROSE Program: Financial Literacy Class

COMMITMENT TO COMMUNITIES

Employee Health & Wellness Fair @ Gavina Coffee



Our team was at the Employee Health & Wellness Fair at Gavina Coffee, where they connected with employees and shared financial wellness resources. Gavina Coffee is our trusted community partner and supports the local economy through its business operations and uplifts global communities through its ethical coffee sourcing practices.

Our team attended the Latino Heritage Month event at Pasadena City Hall, where we had the opportunity to connect with our local Latin American community and share the many benefits of joining a credit union that has proudly served the area for over 90 years.



Latino Heritage Month @ Pasadena City Hall

Rotary Club of Altadena's 27th Annual Summer Concert Series



We were honored to attend and be recognized as a community partner at the Rotary Club of Altadena's 27th Annual Summer Concert Series luncheon.

We had the opportunity to connect with the Maywood community during their Turkey Giveaway event. The City of Maywood and the YMCA did a fantastic job organizing the event, creating a meaningful opportunity to support local families and celebrate the spirit of giving.



Turkey Giveaway: City of Maywood and YMCA

CEO'S MESSAGE

As we celebrate our 90th year serving the Pasadena and Greater San Gabriel Valley communities, we want to take a moment to express our deepest gratitude for your continued loyalty and support. Your trust and commitment have been integral to our success and growth over the years.

We are excited to share that the merger has been successfully completed, and the system conversion has been finalized. We want to sincerely thank you for your patience and understanding during this transition. Your cooperation has made this process smooth, and we truly appreciate your support. As we look to the future, know that we are always striving to improve the products and services we offer and enhance your experience.

We are committed to serving you better each day, and we look forward to continuing this journey with you over the next 90 years and beyond. Thank you once again for being a valued member of our Credit Union.

Warm regards,
James Chang
President and CEO
Pasadena Federal Credit Union



SUPERVISORY CHAIR'S MESSAGE

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 Account 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.

Warm regards,
Veronica L. Jones
Supervisory Committee Chair
Pasadena Federal Credit Union



PASADENA FEDERAL CREDIT UNION
STATEMENTS OF FINANCIAL CONDITION
SEPTEMBER 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents	\$ 9,919,270	\$ 10,342,579
Investments:		
Debt securities available for sale, at fair value (amortized cost of \$110,859,027 and \$89,656,409)	109,381,626	83,924,618
Equity securities	25,000	25,000
Other	2,976,920	22,556,000
Loans receivable, net of allowance for credit losses of \$730,002 and \$244,363	207,699,464	146,604,106
Accrued interest receivable	1,028,331	741,607
Property and equipment	7,942,922	851,561
Operating right-of-use (ROU) assets	1,659,761	1,610,034
National Credit Union Share Insurance Fund (NCUSIF) deposit	3,548,531	1,901,083
Core deposit intangible	5,846,876	-
Goodwill	2,987,000	-
Other assets	11,696,589	2,354,944
	<u>\$ 364,712,290</u>	<u>\$ 270,911,532</u>
LIABILITIES AND MEMBERS' EQUITY		
Liabilities:		
Members' share accounts	\$ 324,358,927	\$ 250,074,510
Accrued expenses and other liabilities	3,031,351	3,086,811
Operating lease liabilities	1,769,417	1,642,595
	<u>329,159,695</u>	<u>254,803,916</u>
Members' equity:		
Undivided earnings	22,018,691	21,839,407
Equity acquired in merger	15,011,304	-
Accumulated other comprehensive loss	(1,477,400)	(5,731,791)
	<u>35,552,595</u>	<u>16,107,616</u>
Total liabilities and members' equity	<u>\$ 364,712,290</u>	<u>\$ 270,911,532</u>

The accompanying notes are an integral part of these financial statements.

PASADENA FEDERAL CREDIT UNION
STATEMENTS OF INCOME
YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	2024	2023
INTEREST INCOME		
Loans receivable	\$ 9,842,548	\$ 5,709,051
Interest-bearing accounts and investments	4,368,176	2,705,878
Total interest income	14,210,724	8,414,929
INTEREST EXPENSE		
Members' share accounts	4,244,631	3,336,485
Interest on borrowed funds	30,560	157,868
Total interest expense	4,275,191	3,494,353
NET INTEREST INCOME	9,935,533	4,920,576
PROVISION FOR CREDIT LOSS EXPENSE	676,743	269,056
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSS EXPENSE	9,258,790	4,651,520
NON-INTEREST INCOME		
Deposit service charges and related fee income	1,153,591	620,809
Interchange income	1,003,213	946,629
Gain on sale of investments	123,019	-
Other income	448,585	300,493
Total non-interest income	2,728,408	1,867,931
NON-INTEREST EXPENSE		
Compensation and benefits	4,393,476	2,695,148
Office operations	6,198,081	3,549,978
Occupancy	941,219	642,156
Other	128,796	162,006
Total non-interest expense	11,661,572	7,049,288
NET INCOME (LOSS)	\$ 325,626	\$ (529,837)

The accompanying notes are an integral part of these financial statements.

PASADENA FEDERAL CREDIT UNION
STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
NET INCOME (LOSS)	<u>\$ 325,626</u>	<u>\$ (529,837)</u>
OTHER COMPREHENSIVE INCOME		
Net change in unrealized gain arising during the year	4,377,410	709,982
Reclassification adjustment for realized gain on sale of debt securities available for sale	<u>(123,019)</u>	<u>-</u>
Total other comprehensive income	<u>4,254,391</u>	<u>709,982</u>
COMPREHENSIVE INCOME	<u><u>\$ 4,580,017</u></u>	<u><u>\$ 180,145</u></u>

The accompanying notes are an integral part of these financial statements.

MEET OUR BOARD



Jim McDermott
Board Chair



Kristen Sullivan
Vice Chair



Virginia Dedeaux
Treasurer



Korbin Law
Secretary



Doug Duong
Board Member



Richard Haluschak
Board Member



Mike Izuno
Board Member



Veronica Jones
Board Member



Armine Trashian
Board Member



Christine Voyvodich
Board Member



Frank Wu
Board Member

Supervisory Committee Members

Veronica Jones, Chair
Lilian Gavina Glascott, Member
Larry Hammond, Member

MEET OUR LEADERSHIP



James Chang
President/CEO



Hector Martin
Chief Strategy
Officer



Melinda Quan
Chief Human
Resources Officer



Melinda Leung
Chief Marketing
Officer



Ozzie Ulupinar
Chief Information
Officer