



First City Credit Union

# ANNUAL REPORT

2023



800.944.2200 • [firstcitycu.org](http://firstcitycu.org)

# BOARD CHAIR'S REPORT

**It continues to be a privilege to serve as your Board Chair as one duty is to present the Credit Union's 2023 update.** I am pleased to share that First City was there for you, our members, and continues to maintain a strong and stable financial position to allow the credit union to continue to be there for you, your families, and our community in the years ahead. First City's mission is to improve the financial lives of our member owners. With low interest loans and high interest savings options, the credit union's mission is you, not profit. Indeed, because our credit union is owned by us, the members, you can trust First City with your financial needs in any economic environment.

Your money and your trust remain safe with First City. Your deposits are federally insured up to \$250,000 by the National Credit Union Administration and we continue to be categorized as "well-capitalized" by federal and state examiners and regulators. Based upon our financial strength, we continue to maintain a 5-star credit union rating (the highest rating available) by Bauer Financial for 92 quarters or 23 years. Thank you for making us one of the best member-serving financial cooperatives in Los Angeles and San Bernardino Counties.

## **IN 2023 FIRST CITY REMAINED FOCUSED ON THE FINANCIAL WELLNESS OF OUR MEMBERS, RENEWING OUR EMPHASIS ON MEMBER SERVICE, EFFICIENCY, AND CONVENIENCE. SOME EXAMPLES INCLUDE:**

- Supporting our members when they needed us, demonstrated by an 8.67% increase in loans provided.
- Assisting our members in achieving home ownership by implementing a new Mortgage Loan Origination system that shortened wait times while improving member satisfaction.
- Increasing our return to members by offering certificate rates and special deposit product promotions that were significantly higher than the national average.
- Upgrading our main operating system, improving efficiency and digital security for our members.
- Forging new partnerships and programming with the Los Angeles County Sheriff's Department, Department of Public Social Services, Los Angeles General Medical Center, and Children's Hospital Los Angeles to name a few.

As a not-for-profit financial cooperative, First City's Board of Directors and Supervisory Committee volunteers play a critical part in strategy casting & planning, risk management, and oversight & governance. My colleagues are a knowledgeable, passionate, and dedicated group who generously give their time, energy, and talents to the credit union. Safeguarding the financial interests of you, our members, remains our highest priority. I extend my heartfelt appreciation and gratitude to my fellow volunteers and all First City employees for their continued service on your behalf.

Thank you for your support and trust in First City to serve and protect your finances in 2023. The credit union remains committed to empowering your financial wellness this year and in the future. Wishing you and your families a safe, healthy, and prosperous 2024!

**Dr. Michael D. Steinberger**  
Chair, Board of Directors

# TREASURER'S REPORT

**The annual report to the membership contains First City Credit Union's financial condition, income, reserves, and retained earnings for 2023.**

Your money is safe and secure at First City Credit Union. Member deposits are federally insured up to \$250,000. We passed all federal, state, and third-party CPA and internal examinations. And once again, we are proud to have our safety and soundness recognized with a Superior 5-Star rating from Bauer Financial, the nation's leading independent provider of ratings and analysis of financial services companies.

## **WE ARE PLEASED TO REPORT THE FOLLOWING 2023 FINANCIAL HIGHLIGHTS:**

- Net Worth Ratio, the measure of your credit union's capital reserves to maintain financial safety and soundness, was 13.09% as of December 31, 2023. This ratio is well above peer averages and regulatory agency requirements.
- The Credit Union helped meet members' borrowing needs by granting \$130 MM in loans in 2023. Total loan growth was 8.67%, exceeding peers.
- While we had strong loan growth, we experienced a net loss in members' deposits, resulting in total deposits of \$769 MM, a decline of 6.79% year over year. The credit union borrowed \$70 MM from the Federal Reserve and Federal Home Loan banks at very competitive interest rates.
- Assets ended the year at \$907 MM, an increase of 2.25% compared to the prior year.
- Net Income for the year was \$7.6 MM, which represents a strong Return on Member Assets of 0.84%.
- Loan quality continued to be strong with non-performing loans representing just 0.39% of total loans. First City's low level of loan delinquencies is a testament to you, our members.

We thank you for your membership and your loyalty to First City. Our mission is to empower First City members' financial wellness via advice and advocacy. We do this by providing financially sound and ethical practices to earn and maintain your confidence and trust. We remain committed to you, our members, and are grateful of the support from the communities, sponsors, and members we serve.

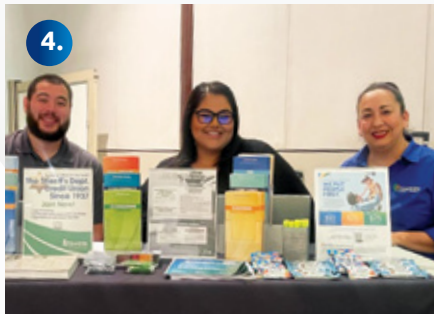
**John Benedict**  
Treasurer, Board of Directors

# SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is pleased to report that the credit union is financially sound, and all records are kept according to generally accepted accounting standards. The Internal Audit Department conducted various branch and compliance audits with satisfactory results. In addition, our C.P.A. firm, Turner, Warren, Hwang, & Conrad conducted a formal independent audit of First City's financial records and controls for the year ended December 31, 2023 and found them to be consistent with regulatory and compliance standards. There were no material findings or concerns reported and they issued an unqualified opinion.

**Sixta Navarrete**  
Chair, Supervisory Committee

# COMMUNITY OUTREACH

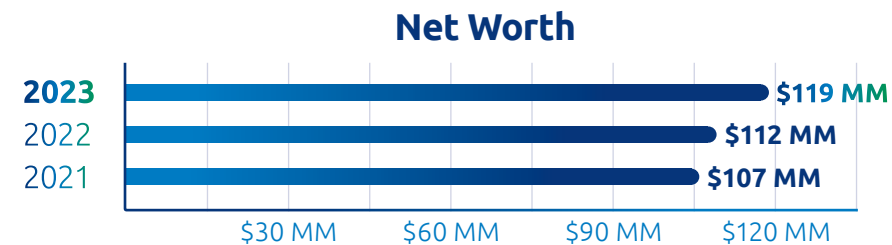


1. Keppel Union School District Benefits Fair, Antelope Valley
2. Children's Hospital Los Angeles Branch Support
3. Huntington Hospital Career Advancement Fair
4. ALADS Benefits Fair
5. Los Angeles County Department of Public Social Services (DPSS) Toy Loan Program
6. Los Angeles General Medical Center (LAGMC) Tree Lighting
7. Huntington Hospital Wellness Fair

8. Pomona College Health Fair
9. Sheriff's Relief Association Fall Festival
10. Village Venture, Claremont
11. Claremont Colleges Health Fair
12. DPSS Funmania
13. LAGMC site visit
14. First City's Pumpkin Carving Contest

# FIRST CITY BY THE NUMBERS

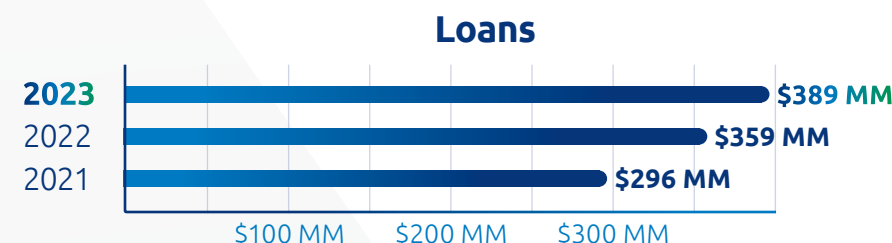
ASSETS	2023	2022
Cash and Cash Equivalents	\$97,829,974	\$56,069,774
Investments, net	359,574,895	410,967,642
Loans, net	388,618,761	358,941,394
Accrued Income Receivable	2,261,251	1,974,047
Property and Equipment, net	16,371,957	17,400,125
NCUSIF Deposit	7,356,849	7,712,019
Other Assets	34,562,253	33,550,775
<b>TOTAL ASSETS</b>	<b>\$906,575,940</b>	<b>\$886,615,777</b>
LIABILITIES AND EQUITY	2023	2022
<b>Liabilities</b>		
Members' shares	\$769,160,409	\$825,233,074
Borrowed Funds	70,000,000	0
Accounts Payable & Accrued Expenses	12,397,977	10,368,140
<b>TOTAL LIABILITIES</b>	<b>\$851,558,386</b>	<b>\$835,601,214</b>
<b>Equity</b>		
Regular Reserves & Retained Earnings	\$55,017,554	\$51,014,563
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$906,575,940</b>	<b>\$886,615,777</b>
INCOME STATEMENT	2023	2022
<b>Interest Income</b>		
Total Interest on Loans	\$18,269,224	\$13,265,222
Total Interest on Investments	11,236,982	9,147,418
<b>Total Interest Income</b>	<b>29,506,206</b>	<b>22,412,640</b>
<b>Interest Expense</b>		
Total Dividends on Member Shares & Cost of Borrowings	\$4,765,678	\$1,605,168
<b>Net Interest Income</b>	<b>24,740,528</b>	<b>20,807,472</b>
Provision for Loan Losses	2,339,935	429,840
<b>Net Interest Income after Provision</b>	<b>22,400,593</b>	<b>20,377,632</b>
Non-Interest Income	7,816,647	7,578,726
Operating Expenses	24,372,614	21,806,200
Gain on Sale of Visa B Shares	1,734,722	0
<b>TOTAL NET INCOME</b>	<b>\$7,579,348</b>	<b>\$6,150,158</b>



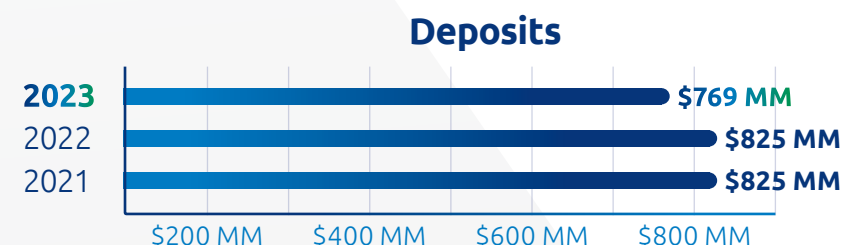
**13.09%**  
**NET WORTH RATIO**  
 The measure of our capital reserves to maintain financial safety and soundness



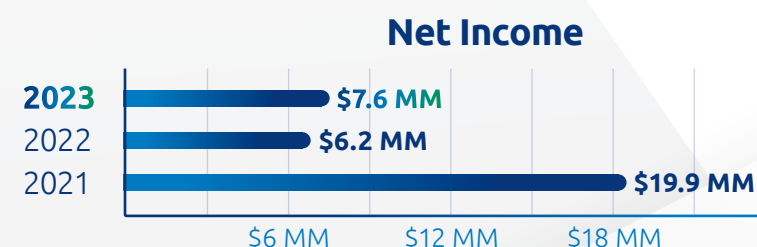
**\$907**  
**MILLION IN ASSETS ACHIEVED**



**\$130**  
**MILLION IN NEW LOANS FUNDED**



**\$10**  
**THOUSAND IN CHARITABLE GIVING**



**96**  
**THOUSAND REQUESTS FULFILLED BY PHONE**



✓ Rated grade A+ health rating by  
DepositAccounts.com

✓ Rated 5-Stars by BauerFinancial.com  
for 23 straight years

## FIRST CITY CREDIT UNION LEADERSHIP

### BOARD OF DIRECTORS

#### Chair

**Dr. Michael D. Steinberger**  
Pomona College

#### Vice Chair

**Willa J. Glover**  
Los Angeles County Sheriff's Department (Retired)

#### Secretary

**Barbara Oliver**  
Los Angeles County General Medical Center (Retired)

#### Treasurer

**John Benedict**  
Los Angeles County Sheriff's Department (Retired)

#### Marisa Lopez

Los Angeles County Department of Human Resources  
(Retired)

#### Carolyn Bernardez

Los Angeles County Department of Parks and Recreation

#### Christopher Anderson

Los Angeles County Chief Executive Office (Retired)

### SUPERVISORY COMMITTEE

#### Chair

**Sixta Navarrete**  
Los Angeles General Medical Center

**Daniel Burke**  
SEIU (Retired)

**Redina Adams**  
Southern California Alcohol and Drug Program

### EXECUTIVE MANAGEMENT

**Nav Khanna**  
President/CEO

**Lourdes Ruano**  
Chief Financial Officer

**Fred Perez**  
Chief Lending Officer

**Lixa M. Anderson**  
Chief Information Officer

**Royce Ngiam**  
Chief Marketing Officer

**Mary Rubio**  
Chief Human Resources Officer