



# 2023

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# Annual REPORT

Members | Employees | Community



# CHAIRMAN & CEO'S REPORT

As we reflect on our 2023 achievements, we can proudly state that it was another great year for First Imperial Credit Union. We continued to support and serve our community and maintained our commitment to support members with their financial needs through affordable products, services, and financial education.

Some of our notable achievements in 2023 include:

The five-year anniversary celebration of our Calexico branch which we can proudly say is one of our busiest and profitable branches. We had several employees complete the Credit Union National Association (CUNA) financial counseling certification program to give them the skills and knowledge required to guide members to sound financial decisions. This is an important step towards our goal of providing advice with budgeting, credit and ultimately financial freedom.

We rolled out Zelle, which provides the latest in money transfer capabilities, made enhancements to our security infrastructure to further secure and protect our members' information, and introduced two new savings/certificate of deposit products to increase savings options. Strides were made for our expansion into Riverside County with the La Quinta Branch slated for opening in 2024.

We applied and were the recipients of a Community Development Financial Institution (CDFI) grant to continue with our mission of serving the underserved. Lastly, we restructured our salary scale for employees as a testament to our commitment to their well-being and financial stability. Financially, we ended 2023 as strong as ever with a net income of \$3.1M. FICU made sound business decisions and maintained our financial strength which is represented by our 12.89% net worth. While our success is not measured solely by financial metrics, they serve as a representation of the positive impact that we are able to have on our members and our communities.

For 82 years, we have proudly served our members and community as a trusted provider of financial services. We are proud to be a place where people from diverse backgrounds can access affordable, quality financial products and services to help them achieve their financial goals and dreams. Together, we have accomplished exciting initiatives, and we have every confidence that we will continue to thrive in the years ahead. On behalf of the First Imperial Credit Union team, we extend a heartfelt thank you to our members for trusting us as your financial partner.



**VICTOR TORRES**  
BOARD CHAIRMAN



**FIDEL GONZALEZ, CCE**  
PRESIDENT/CEO



# FICU EMPLOYEES ACTIVELY SUPPORTING ORGANIZATIONS THROUGHOUT THE COMMUNITY.



## INCLUDING:

- 4-H and FFA Clubs of Imperial Valley
- Boys and Girls Club
- Burning Bush International
- Calexico Police Department: Kids N Badges
- Cancer Resource Center of the Desert
- El Centro Salvation Army
- El Centro School District
- Farmworker Services Coalition of Imperial Valley
- Girl Scouts
- Hidalgo Society
- Imperial County Office of Education Foundation
- Imperial Valley College Foundation
- Imperial Valley Regional Occupation Program
- IV Peer Links
- National Safety Council ICOS
- Ronald McDonald House Charities of San Diego
- Westmorland School District
- Womanhaven
- and more!

# TREASURER'S REPORT

## Consolidated Income Statements

Year Ended December 31, 2023 and 2022

INTEREST INCOME	2023	2022
Loans Receivable	\$8,619,480	\$6,682,696
Investments	\$795,041	\$388,103
Loans Participations	\$43,064	\$43,754
<b>TOTAL INTEREST INCOME</b>	<b>\$9,457,585</b>	<b>\$7,114,553</b>
INTEREST EXPENSE		
Dividends on Share/Savings Accounts	\$1,486,149	\$491,421
Borrowed Funds	\$29,217	\$63,654
<b>TOTAL INTEREST EXPENSE</b>	<b>\$1,515,366</b>	<b>\$555,075</b>
NET INTEREST INCOME		
<b>Total Net Interest Income</b>	<b>\$7,942,219</b>	<b>\$6,559,478</b>
PROVISION FOR LOAN LOSSES		
<b>Provision for Loan Losses</b>	<b>\$616,911</b>	<b>\$435,414</b>
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES		
<b>Net Interest Income After Provision for Loan Losses</b>	<b>\$7,325,308</b>	<b>\$6,124,064</b>
NON-INTEREST INCOME		
Service Charges	\$2,603,958	\$2,298,865
Card Income	\$661,775	\$603,463
Other non-interest income	\$524,466	\$488,111
Gain on disposition of premises/equipment, net	\$0	\$11,639
Equity/Trading securities profits, net	\$116,109	\$0
<b>TOTAL NON-INTEREST INCOME</b>	<b>\$3,906,308</b>	<b>\$3,402,078</b>
NON-INTEREST EXPENSE		
Compensation and Benefits	\$4,225,052	\$3,823,428
Office Operations	\$2,517,181	\$2,047,398
Office Occupancy	\$592,714	\$565,086
Professional and Outside Services	\$349,104	\$309,104
Other non-interest expense	\$440,378	\$561,783
<b>TOTAL NON-INTEREST EXPENSE</b>	<b>\$8,124,429</b>	<b>\$7,306,799</b>
NET INCOME		
<b>Total Net Income</b>	<b>\$3,107,187</b>	<b>\$2,219,343</b>

## Consolidated Balance Sheets

Year Ended December 31, 2023 and 2022

ASSETS	2023	2022
Cash and Cash Equivalents	\$17,479,769	\$12,910,646
Equity Securities	\$996,815	\$907,197
Trading Debt Securities	\$2,053,498	\$1,893,831
Available-for-sale Debt Securities	\$2,359,404	\$2,282,054
Held-to-maturity Debt Securities	\$3,747,327	\$6,998,698
Other Investments	\$7,925,702	\$16,172,702
Loan Receivable net of allowance for loan losses	\$0	\$127,013,212
Loan Receivable net of allowance for credit losses	\$146,066,311	\$0
Accrued Interest Receivable	\$512,556	\$425,232
National Credit Union Security Insurance Fund Deposit	\$1,495,444	\$1,475,711
Other Assets	\$13,037,102	\$14,045,157
<b>TOTAL ASSETS</b>	<b>\$195,673,928</b>	<b>\$184,124,440</b>
LIABILITIES		
Member Share/Savings Accounts	\$165,693,362	\$154,263,056
Borrowed Funds	\$0	\$5,430,000
Accrued Expenses and Other Liabilities	\$5,903,430	\$2,231,655
<b>TOTAL LIABILITIES</b>	<b>\$171,596,792</b>	<b>\$161,924,711</b>
EQUITY		
Undivided Earnings	\$24,426,872	\$22,667,501
Accumulated Other Comprehensive Loss	\$(349,736)	\$(467,772)
<b>TOTAL EQUITY</b>	<b>\$24,077,136</b>	<b>\$22,199,729</b>
TOTAL LIABILITIES AND MEMBERS EQUITY		
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<b>\$195,673,928</b>	<b>\$184,124,440</b>

First Imperial Credit Union remained financially strong in 2023. For the year ending 2023, our total assets grew 6.29% to \$195,673,928, deposits ended at \$165,693,362 and net loans ended at \$146,066,311. Our membership grew to 22,807 a number which continues to increase. Net income for the year was \$3,107,187 which gave us an ROA (Return on Assets) of 1.64% that is higher compared to our peers that stand at 0.67%. Overall, 2023 was proven to be a sound and impactful year for FICU. The Board of Directors and senior management team have worked together closely to ensure that we remain a well-capitalized credit union with a regulatory NCUA net worth to total asset ratio of 12.89% as of year-end 2023. This ratio, established by the NCUA (National Credit Union Administration), sets the minimum allowable capital level for "well-capitalized credit unions" at 7%. First Imperial Credit Union continues to exceed this requirement.

Thank you for the trust you place in First Imperial Credit Union. We look forward to being your financial partner for many years to come.



**CHRIS PETREE**

TREASURER





## 2023 OVERVIEW

22,807

Total Memberships

\$195 M

Assets

3,121

New Memberships

\$54 M

Funded Auto Loans

\$165 M

Deposits

\$63 M

Funded Total Loans

374,623

Transactions

# SUPERVISORY COMMITTEE'S REPORT

The supervisory committee's role is to maintain oversight of the safety and soundness of the credit union. Operating independently of all entities at the credit union, we review practices and procedures followed by staff to verify that management carries out the policies set by the Board. The Department of Financial Protection and Innovation (DFPI) and the National Credit Union Administration (NCUA) examine the credit union on a regular basis; the supervisory committee reviews the results and follows up with senior management on any action items identified in the report to ensure compliance with applicable laws and government regulations.

The committee reviews quarterly financial reports and conducts ongoing operational audits. Annually we engage an independent certified public accounting firm to perform an opinion audit that evaluates accounting controls, financial statements and verification of members' accounts. For the fiscal year ending December 31, 2023, Nearman, Maynard, Vallez conducted the 2023 audit of FICU.

After the audit was completed, the CPA firm felt that the credit union followed all accounting rules appropriately and that the financial reports are an accurate representation of our financial condition.

The supervisory committee would like to report that FICU continues to maintain a high level of financial stability. I would like to express my gratitude to our dedicated Supervisory Committee volunteers.

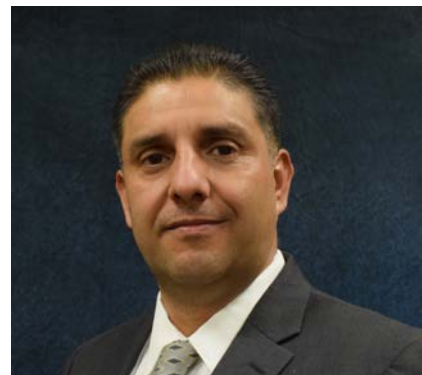
On behalf of the Committee, I would like to extend our appreciation to all the employees of First Imperial Credit Union and its Board of Directors, for their ongoing efforts to ensure the safety and soundness of the credit union.



**CARLOS FLETES**  
CHAIRMAN



**DAWN CHUN**  
MEMBER



**STEVE ESCALERA**  
MEMBER

# BOARD OF DIRECTORS



**VICTOR TORRES**  
CHAIRMAN



**ALEXIS ARAUJO**  
VICE-CHAIRWOMAN



**CHRIS PETREE**  
TREASURER



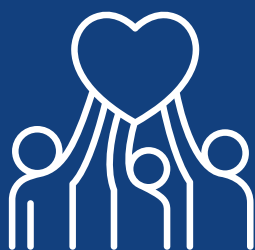
**MIKE CAMPBELL**  
SECRETARY



**DR. VICTOR JAIME**  
DIRECTOR



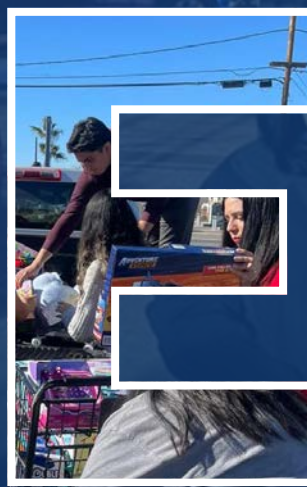
**DR. KATHLEEN LANG**  
DIRECTOR



We're More Than a Bank,  
We're Your Credit Union.



# STRENGTHENING COMMUNITIES THROUGH SUPPORT



Federally Insured by NCUA

We're More Than a Bank,  
We're Your Credit Union.