



# ANNUAL REPORT 2022

*Your dreams. Our mission.*

## REPORT FROM THE CHAIRMAN & PRESIDENT/CEO

As the economy continued to recover from the impact of the pandemic, insightful leadership and prudent fiscal policies enabled the Credit Union to continue operating on sound financial footing.

With interest rates rising, members turned to Clearpath as a secure place to save. This helped grow total shares by 2.2%, or over \$2.5 million. Total assets also increased by nearly \$1.4 million. The sale of our Glendale headquarters in 2021 resulted in a capital gain of over \$3.3 million, which contributed to Clearpath's approximate net income of \$4.5 million. This one-time gain was the primary reason for the large variance in net income from 2021 to 2022.

Clearpath continued to serve our members' borrowing needs as they faced record-setting inflation. In addition to growth in share-secured loans, we increased auto loan refinances by collaborating with third-party vendors, iLending and Tresl. iLending helped attract nearly \$2.2 million in new money, while Tresl generated \$353,612 in new member loans.

Commercial lending continued to be a key focus. We partnered with Stifel, CUBG, and other respected commercial brokers to originate an array of loans nationwide. These included 11 commercial real estate loans totaling \$44,298,750. Clearpath was the lead lender on eight of these loans and sold \$34,694,500 in balances to investor participants. Additional highlights include:

- Total Commercial Loan Fee Revenue from loan originations and servicing was \$406,945
- Total Commercial Loan Interest Revenue from loan participations was \$1,044,720
- Total Commercial Loan Interest Revenue from commercial loans was \$1,034,781

The aggregate of these lending activities increased our retained commercial loan balances by over \$8.8 million—from \$19,627,493 to \$28,459,736.

Clearpath's success continues to be driven by our loyal membership and strategic business alliances. We are proud to report 2022 was another year of solid financial performance—echoed by the annual audit conducted by the independent accounting firm of Richards & Assoc. and the annual examination by the NCUA.

Thank you to our dedicated volunteer officials, management team, hard-working staff, and our members. We look forward to serving you in 2023 and beyond.

**Russell Morgan, Board Chairman**  
**Gerardo Guzman, President/CEO**

## TREASURER'S REPORT

Faced with ongoing economic headwinds in 2022, including a rising interest rate environment and record-setting inflation, Clearpath Federal Credit Union was able to achieve significant growth in total shares, total assets, and total operating income.

Despite having 9% fewer loan units in 2022, income from loans increased by 7.3% to \$4,382,283, and our loan-to-share ratio increased by nearly 12.5%, elevating this indicator of financial strength to 84.40%. In addition, the purchase of a new consumer loan auto pool increased our total consumer loan participation balances by \$2,130,745. While down from the prior year, we ended the year with a 0.56% Return on Assets (ROA), with a 0.29% improvement in our loan portfolio delinquency ratio.

Based on the independent audit performed by the professional accounting firm of Richards & Assoc. and our annual NCUA examination, Clearpath remains well-capitalized, financially sound and focused on providing our membership and valued business alliances with innovative, competitively priced financial products and services.

I would like to thank our Board of Directors, Supervisory Committee, and the dedicated Clearpath staff for working together to keep Clearpath on track for growth and success. We look forward to helping you and your family achieve your goals for many years to come.

**Larry Gonzales**  
**Board Treasurer**

<b>Assets</b> Increase of 1.0%	<b>\$143,600,684</b>
<b>Total Shares/Deposits Growth</b> Increase of 2.2%	<b>\$2,534,060</b>
<b>Loan Income</b> Increase of 7.3%	<b>\$4,382,283</b>
<b>Loans Increased by (\$)</b> Change of 12.2%	<b>\$10,864,475</b>
<b>Return on Assets</b>	<b>0.56%</b>
<b>Delinquencies</b> Decrease of 0.29%	<b>0.88%</b>
<b>Total Loans (Units)</b> Decrease of 9.0%	<b>5,974</b>

# BALANCE SHEET

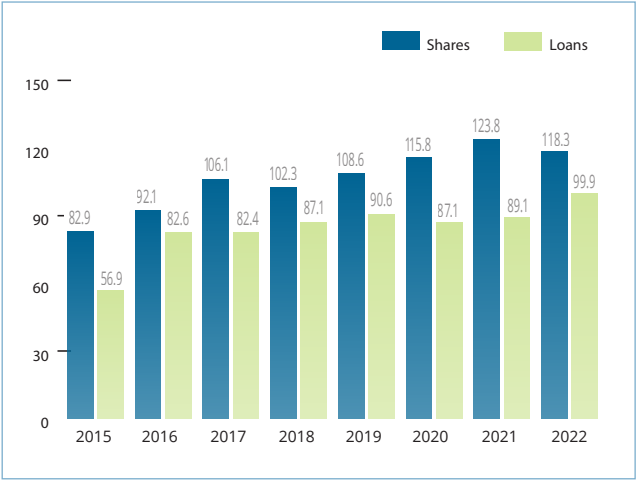
	DEC 2021	DEC 2022	VARIANCE
<b>ASSETS</b>			
Cash	\$25,099,247	\$9,295,999	\$(15,803,248)
Loans	89,038,305	99,902,780	10,864,475
Investments	25,385,188	29,024,670	3,639,482
Fixed Assets	222,363	1,634,208	1,411,845
Other Assets	2,472,016	3,743,027	1,271,011
<b>TOTAL ASSETS</b>	<b>\$142,217,119</b>	<b>\$143,600,684</b>	<b>\$1,383,565</b>
<b>LIABILITIES</b>			
Accounts Payable	\$1,021,165	\$11,430,695	\$10,409,530
Accrued Expenses	217,844	903,978	686,134
<b>TOTAL LIABILITIES</b>	<b>\$1,239,009</b>	<b>\$12,334,673</b>	<b>\$11,095,664</b>
<b>TOTAL SHARES/DEPOSITS</b>	<b>\$115,834,196</b>	<b>\$118,368,256</b>	<b>\$2,534,060</b>
Regular Reserve	\$2,228,422	\$2,228,422	-
AFS Securities–			
Unrealized Gains/Losses	274,604	(5,765,681)	(6,040,285)
Capital Acq. From LCU	296,603	296,603	-
Undivided Earnings	15,330,186	16,138,411	808,225
<b>TOTAL EQUITY*</b>	<b>\$17,855,211</b>	<b>\$18,663,436</b>	<b>\$808,225</b>
<b>LIABILITIES &amp; EQUITY</b>	<b>\$134,928,416</b>	<b>\$149,366,365</b>	<b>\$14,437,949</b>

\* Excludes Unrealized Gains/Losses

# STATISTICS

	DEC 2021	DEC 2022	VARIANCE
Members	11,786	11,473	-313
Total Loans	6,187	5,974	-213
Loan to Share	71.92%	84.40%	12.48%
Delinquency	1.17%	0.88%	-0.29%

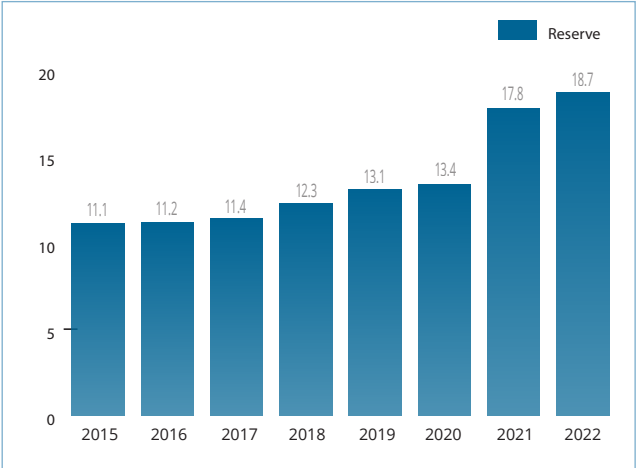
## SHARES & LOANS IN \$ MILLIONS



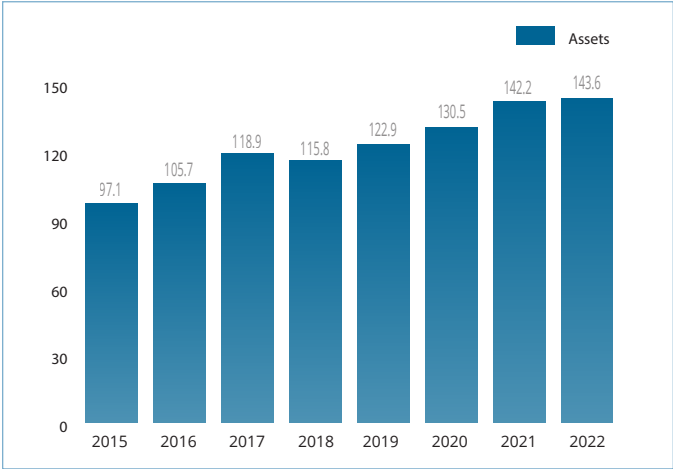
# INCOME STATEMENT

	DEC 2021	DEC 2022	VARIANCE
Income	\$4,085,081	\$4,382,283	\$297,202
Investment Income	334,855	812,551	477,696
Other Income	1,917,772	1,983,105	65,333
<b>Total Operating Income</b>	<b>\$6,337,708</b>	<b>\$7,177,939</b>	<b>\$840,231</b>
Salaries & Benefits	\$2,382,488	\$2,510,004	\$127,516
Office Expenses	1,677,625	1,935,785	258,160
Outside Services	581,479	928,035	346,556
Loan Loss Provision	130,220	120,942	(9,278)
Other Expenses	(23,963)	455,482	479,445
<b>Total Operating Expenses</b>	<b>\$4,747,849</b>	<b>\$5,950,248</b>	<b>\$1,202,399</b>
Income Before Dividends	\$1,589,859	\$1,227,690	\$(362,169)
Dividends	449,310	368,765	(80,545)
Non Oper Gain/Loss Expense	3,330,477	(50,700)	(3,381,177)
<b>NET INCOME</b>	<b>\$4,471,027</b>	<b>\$808,225</b>	<b>\$(3,662,802)</b>

## RESERVES IN \$ MILLIONS



ASSETS IN \$ MILLIONS



SUPERVISORY COMMITTEE REPORT

Appointed by the Board of Directors, volunteer Supervisory Committee members are tasked with ensuring that Clearpath Federal Credit Union’s member funds remain secure, the Credit Union’s financial records and operations are in order, and officials perform their duties in accordance with state and federal regulations.

Throughout 2022, the Committee met regularly to review operational and member records. Additionally, the Committee engaged Richards & Assoc. to conduct the annual audit for the fiscal year ending June 30, 2022. The firm executed a comprehensive review of Clearpath’s financial condition and performance, as well as the annual verification of members’ accounts.

I am pleased to report that the Credit Union continues to operate in a fiscally sound manner, in compliance with state and federal guidelines, while preserving the security and integrity of member shares and account information.

On behalf of the Committee, I wish to thank the Credit Union’s volunteer Board of Directors, leadership team, and dedicated staff for their outstanding service to the membership throughout 2022.

**Eric Chan**  
Chairman, Supervisory Committee

MISSION STATEMENT

We are committed to providing superior financial services and partnering with our members to improve their financial well-being.

BOARD OF DIRECTORS

Russell Morgan	Chairman
Al Berrezueta	Vice Chair
Larry Gonzales	Treasurer
Chuck Polep	Secretary
Steve Letko	Director
Loree Agai	Director
Dan Cronin	Director

SUPERVISORY COMMITTEE

Eric Chan	Chairman
Sandy Martinez	Member
Thomas Wong	Member

CREDIT UNION

Gerardo Guzman	President/CEO
Gokhan Urkmez	EVP/CFO
Len LaBella	VP, IT
Javier Hurtado	Director, Operations
Laura Banakaite	Director, Lending





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