



ANNUAL REPORT 2023

Your dreams. Our mission.

REPORT FROM THE CHAIRMAN & PRESIDENT/CEO

Once again it is our privilege to provide our valued members and business partners with this annual summary of Clearpath's overall financial performance.

Despite nationwide economic headwinds in 2023, Clearpath continued to adapt to provide reliable financial services that deliver value and help members reach their financial goals.

Trends of financial strength and soundness continued in 2023. Total assets grew by 5.3% to more than \$151 million, gross income increased by \$1,407,581, and return on assets ended the year at 0.38%.

Still recovering from the financial impacts of the pandemic, members continued to turn to Clearpath as a safe place to grow their savings. This trend included more than \$12 million in new deposits in the first quarter, tied to a savings certificate promotion. Attractive rates of return on a variety of deposit accounts helped generate a 13.9% increase in total shares.

As a not-for-profit credit union, our primary purpose is to return earnings to our member-owners through lower borrowing rates and banking fees and higher returns on deposit accounts. We're proud to report that we paid members a total of \$1,309,360 in dividends in 2023, compared to \$368,765 in the previous year.

Significant growth was also achieved in the course of meeting the borrowing needs of our members and business partners. Aggregate loan activity, including commercial real estate loans in various states, mortgages, vehicle loans, personal loans, and credit cards propelled a 23.7% increase in total loan income for the year. Loan delinquencies decreased further to 0.51% thanks to prudent lending policies and our members' responsible use of credit.

With the economy showing signs of strength and stability, Clearpath was able to return to full staffing levels across our support services, collections, and accounting departments by year-end 2023. This increase in our workforce, together with ongoing staff training requirements, positions Clearpath for strong financial performance in the years ahead.

In closing, we thank our dedicated staff and management team, our forward-looking Board of Directors and diligent Supervisory Committee who ensure that Clearpath is operating in the best interests of our members and in compliance with all state and federal regulations.

We look forward to serving you and your families, our business partners, and our communities in 2024 and beyond.

Russell Morgan, Board Chairman
Gerardo Guzman, President/CEO

TREASURER'S REPORT

In a year with overhanging challenges for consumers and the financial services industry, Clearpath Federal Credit Union was able to achieve significant progress across several key financial performance metrics. These included notable increases in total shares, total assets, income from loans, and total operating income.

Despite having 4.8% fewer loan units in 2023, income from loans increased by 23.7% to \$5,421,452. Loans to members also grew by 7.4% in dollars, while loan delinquencies decreased to 0.51%. The credit union's loan-to-share ratio decreased by 4.73%, yet finished the year strong at 79.67%. We ended the year with a 0.38% return on assets (ROA). For additional details, please refer to the attached summaries of our income statement and balance sheet.

As indicated by the independent audit performed by the professional accounting firm of Richards & Assoc. and our annual NCUA examination, Clearpath remains well-capitalized and financially sound. Looking to 2024 and beyond, the credit union is clearly focused on providing our membership and valued business alliances with competitively priced financial products and solutions.

Clearpath's continued strength and growth are the result of diligent leadership and our loyal membership. I thank our Board of Directors, Supervisory Committee, and our dedicated staff for keeping the credit union on the path toward future success.

Larry Gonzales

Treasurer

Assets Increase of 5.3%	\$151,245,822
Total Shares/Deposits Growth Increase of 13.9%	\$16,486,764
Loan Income Increase of 23.7%	\$5,421,452
Loans Increased by (\$) Change of 7.4%	\$7,387,731
Return on Assets	0.38%
Delinquencies Decrease of 0.37%	0.51%
Total Loans (Units) Decrease of 4.8%	5,689

BALANCE SHEET

	DEC 2022	DEC 2023	VARIANCE
ASSETS			
Cash	\$9,295,999	\$17,634,438	\$8,338,439
Loans	99,902,780	107,290,511	7,387,731
Investments	29,338,950	19,952,358	(9,386,592)
Fixed Assets	1,634,207	2,322,436	688,229
Other Assets	3,428,747	4,046,079	617,332
TOTAL ASSETS	\$143,600,683	\$151,245,822	\$7,645,139
LIABILITIES			
Accounts Payable	\$11,430,695	\$2,237,916	\$(9,192,779)
Accrued Expenses	903,978	307,269	(596,709)
TOTAL LIABILITIES	\$12,334,673	\$2,545,185	\$(9,789,488)
TOTAL SHARES/DEPOSITS			
Regular Reserve	\$2,228,422	\$-	\$(2,228,422)
AFS Securities-			
Unrealized Gains/Losses	(5,765,681)	(5,386,273)	379,408
Capital Acq. From LCU	296,603	\$-	(296,603)
Undivided Earnings	16,138,411	19,231,890	3,093,479
TOTAL EQUITY*	\$18,663,436	\$19,231,890	\$568,454
LIABILITIES & EQUITY	\$143,600,684	\$151,245,822	\$7,645,138

* Excludes Unrealized Gains/Losses

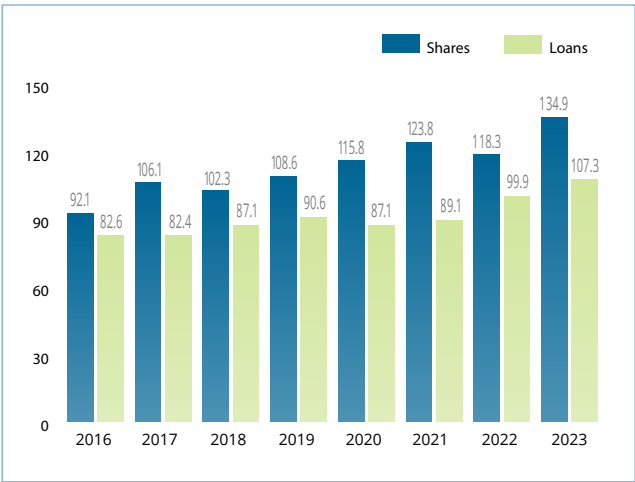
INCOME STATEMENT

	DEC 2022	DEC 2023	VARIANCE
Loan Income	\$4,382,283	\$5,421,452	\$1,039,169
Investment Income	812,551	1,177,452	364,901
Other Income	1,983,105	1,986,616	3,511
Total Operating Income	\$7,177,939	\$8,585,520	\$1,407,581
Salaries & Benefits	\$2,510,004	\$2,711,703	\$201,699
Office Expenses	1,935,785	2,171,028	235,243
Outside Services	928,035	438,889	(489,146)
Loan Loss Provision	120,942	664,651	543,709
Other Expenses	455,482	658,176	202,694
Total Operating Expenses	\$5,950,248	\$6,644,447	\$694,199
Income Before Dividends	\$1,227,690	\$1,941,073	\$713,383
Dividends	368,765	1,309,360	940,595
Non Oper Gain/Loss Expense	(50,700)	(63,259)	(12,559)
NET INCOME	\$808,225	\$568,454	\$(239,771)

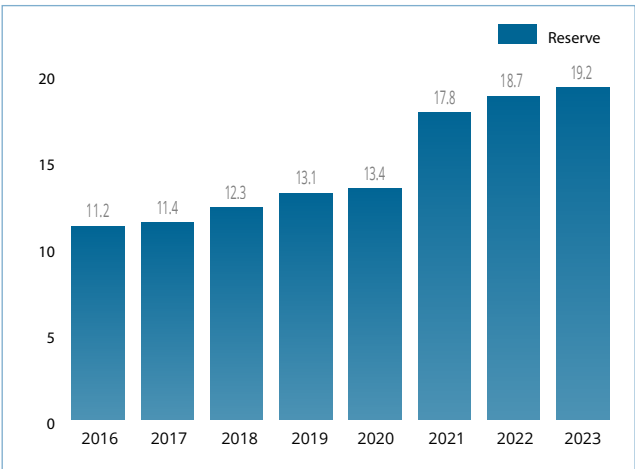
STATISTICS

	DEC 2022	DEC 2023	VARIANCE
Members	11,473	11,007	-466
Total Loans	5,974	5,689	-285
Loan to Share	84.40%	79.67%	-4.73%
Delinquency	0.88%	0.51%	-0.37%

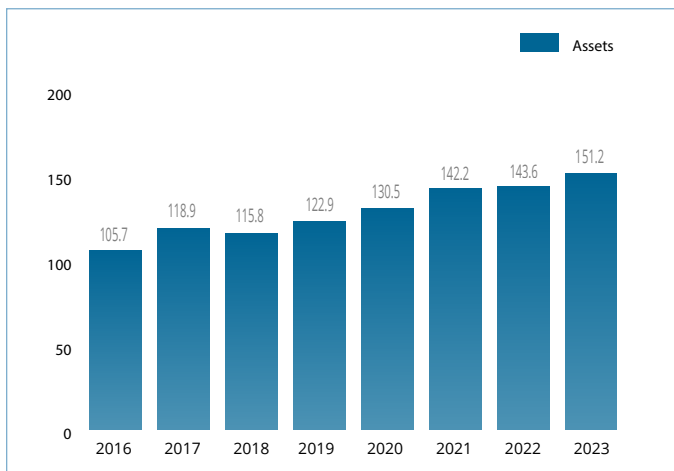
SHARES & LOANS IN \$ MILLIONS



RESERVES IN \$ MILLIONS



ASSETS IN \$ MILLIONS



SUPERVISORY COMMITTEE REPORT

Volunteer Supervisory Committee members are appointed by the Board of Directors and tasked with ensuring that Clearpath Federal Credit Union's member funds remain secure, our financial records and operations are in compliance with state and federal regulations, and the credit union's executives and volunteer officials perform their duties with transparency and integrity.

Throughout 2023, the Committee met regularly to review operational and member records. Additionally, the Committee engaged Richards & Associates Certified Public Accountants to conduct the annual audit for the fiscal year ending June 30, 2023. The firm executed a comprehensive review of Clearpath's financial condition and performance, as well as the annual verification of members' accounts.

It is my privilege to report that Clearpath 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 2023.

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

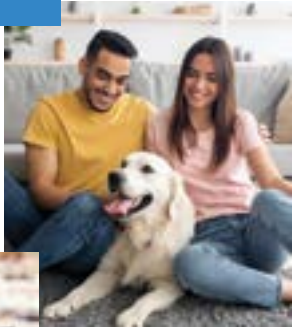
Russell Morgan.....	Chairman
Al Berrezueta	Vice Chair
Larry Gonzales	Treasurer
Chuck Polep	Secretary
Steve Letko.....	Director
Loree Agai	Director
Dan Cronin	Director

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





Mailing Address:

300 East Magnolia Blvd., Suite 401
Burbank CA, 91502-3238

www.clearpathfcu.org

(800) 433-7328 • (818) 937-5300

Fax (818) 937-5329



Federally insured by NCUA