

## Report of the Credit Committee

The Credit Committee met weekly this past year and acted on over 1150 applications. We made a conscientious effort to approve all loan applications, taking into careful consideration the member's credit history, security values and purpose for the loan. All loans must be for a provident and productive purpose.

The members, whose money we are lending, are entitled to full protection of their investment and assurance that the loans will be repaid, guaranteeing a sound credit union operation.

To help us work effectively and efficiently, we have loan officers who answer to the Credit Committee. We strive to process loans on a timely basis and to meet the needs of all members.

James "Eddy" Cheneweth III, Chairperson  
Credit Committee

## Report of the Supervisory Committee

The Supervisory Committee has the responsibility of reviewing records and financial statements, as well as the performance of credit union officials and employees. This is to ensure that all records and internal controls are correctly maintained.

During 2008, the Committee supervised an audit by an outside firm, Richards and Associates, and worked directly with the National Credit Union Administration. On the basis of these audits, other records, and our observation of the operations of the Credit Union, we believe the related statement of income and expenses and the balance statement present fairly the financial conditions as of December 31, 2008. The audits and records reflect a strong, well run financial organization.

Our thanks to the members, the Credit Union staff, the Board of Directors and all other volunteers for their participation in making our credit union a successful financial institution.

Gary Friestad, Chairperson  
Supervisory Committee

## Report of the Board of Directors

The Board of Directors is pleased to report that in 2008 Paradise Valley Federal Credit Union's capital-to-asset ratio increased to 15.18%. Assets increased 12.49% to a total of \$61 million.

In 2008, Paradise Valley Federal Credit Union continued to grow and enhance some of its newer services such as:

- eBr@nch – home banking
- eStatements – on-line account statements
- ePay – bill pay

HFS is an Internet-based financial service available 24 hours a day, seven days a week, and provides members with the convenience and flexibility of taking care of many of their financial transactions without requiring a visit to the Credit Union.

Looking to the future, PVFCU is developing a relocation plan into the new Paradise Village Senior Center currently under construction on the property previously occupied by San Diego Academy.

The Credit Union is pleased to have participated in several community activities, donating over \$35,000 in 2008. Some recipients included:

- San Diego Academy
- San Diego County SDA Churches
- National City Schools
- Boys and Girls Clubs of National City
- Credit Union Support Activities
- National City Christmas in July
- Local charities

We are looking forward to the year 2009. Our mission as a member-owned credit union is to meet the needs of you, the member, by providing financial services through sound financial management and friendly, personalized service.

On behalf of the Board of Directors of Paradise Valley Federal Credit Union, I urge you to consider Paradise Valley Federal Credit Union for all of your financial needs.

Milton Fredricksen, President  
Board of Directors



# 52nd Annual Report 2008

Given at the Annual Meeting  
March 30, 2009

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2805 East Seventh Street  
National City, CA 91950

(619) 475-4313

(800) 253-6991

Fax: (619) 475-0998

ACCESS24: (619) 475-2009

Toll Free: (866) 760-3777

[www.paradisevalleyfcu.com](http://www.paradisevalleyfcu.com)

E-mail: [paradise@paradisevalleyfcu.com](mailto:paradise@paradisevalleyfcu.com)

Your Savings At The  
Credit Union Are Federally  
Insured To At Least  
**\$250,000**



## Board of Directors

Milton Fredricksen, *President*  
 Norman Schaffner, *Vice-President*  
 Ernie Sanchez, *Secretary*  
 Gary Friestad, *Treasurer*  
 Rochelle Wisdom, *Director*

## Credit Committee

James "Eddy" Cheneweth III, *Chairperson*  
 Lorraine Villegas  
 Steve Grady

## Supervisory Committee

Gary Friestad, *Chairperson*  
 Roger Reyes

## Office Personnel

John G. Pressler, *CEO*  
 Theresa Lewis, *COO*  
 Gerald Schaffner, *CFO*  
 Janice Pressler, *CLO*  
 Arlene Subarich  
 Carolina Enriquez  
 Marcella Avitia  
 Cindy Layon  
 Pat Fuson  
 Erminda Reque  
 Sinann Kinney  
 Sharmela Taylor

## Financial Statement

Assets	2007	2008
Loans to Members	\$ 46,153,037	\$ 46,997,629
Less Allowance for Loan Loss	(183,175)	(190,303)
Cash	308,594	483,601
Investments	7,225,034	12,772,351
NCUIF	357,508	410,316
Building	0	0
Furn & Equip	91	5,139
Accrued Loan Interest	203,775	218,531
Accrued Investment Income	16,383	8,189
Other Assets	138,460	304,891
<b>Total Assets</b>	<b>\$ 54,219,707</b>	<b>\$ 60,990,344</b>

## Liabilities & Equities

Total Liabilities	\$ 151,415	\$ 162,620
Shares	45,383,778	51,571,446
Regular Reserve	3,026,256	3,176,256
Other Reserves	0	0
Undivided Earnings	5,658,258	6,080,022
<b>Total Liabilities &amp; Equities</b>	<b>\$ 54,219,707</b>	<b>\$ 60,990,344</b>

## Statistical Information

	2007	2008
Members	5,195	5,092
Accounts	7,501	7,474
Loans Made Year	892 \$ 17,785,864	1,018 \$ 20,168,397
Loans Made Since Organization	35,667 \$266,263,993	36,549 \$280,059,448
Loans Charged Off Since Organization	\$ 1,744,301	\$ 1,902,135
Recoveries	\$ 220,767	\$ 227,895

## Income Statement

Revenue	2007	2008
Interest on Loans	\$ 3,281,769	\$ 3,326,533
Investment Income	314,687	365,724
Other Income	241,173	228,562
<b>Total Income</b>	<b>\$ 3,837,629</b>	<b>\$ 3,920,819</b>

## Expenses

Wages	\$ 528,760	\$ 542,190
Employee Taxes & Benefits	253,780	265,599
Travel & Conferences	7,287	8,561
League Dues	18,499	20,537
Office Occupancy	67,728	36,844
Office Operations	284,539	286,178
Promotions	84,272	87,806
Loan Servicing	49,902	66,967
Audit Fees	6,400	8,400
Data Processing and Outside Svcs	194,295	175,545
Provision for Loan Losses	172,845	157,833
Members Insurance	0	0
Federal Supervision Fee	11,224	12,089
All Other Expenses	30,516	36,916
<b>Total Expenses</b>	<b>\$ 1,710,047</b>	<b>\$ 1,705,465</b>

Net Income Before Dividends	\$ 2,127,582	\$ 2,215,354
Dividends	1,609,703	1,643,589
<b>Net Income</b>	<b>\$ 517,880</b>	<b>\$ 571,765</b>

## Three Year Summary

	2006	2007	2008
Total Assets	\$ 55,296,092	\$ 54,219,707	\$ 60,990,344
Annual Growth	(2.98)%	(1.99)%	12.49%
Shares	\$ 47,017,981	\$ 45,383,778	\$ 51,571,446
Annual Growth	(2.12)%	(3.60)%	13.63%
Loans	\$ 46,633,517	\$ 46,153,037	\$ 46,977,629
Annual Growth	5.80%	(1.04)%	1.79%
Ratio to Shares	.99	1.02	.91
Gross Revenue	\$ 3,770,885	\$ 3,837,629	\$ 3,920,819
Expenses Before Dividends	\$ 1,673,215	\$ 1,710,047	\$ 1,705,465
Income Before Dividends	\$ 2,097,670	\$ 2,127,582	\$ 2,215,354
Dividends	\$ 1,353,206	\$ 1,609,703	\$ 1,643,589
Membership	5,406	5,195	5,092
Accounts	7,785	7,501	7,474

## Report of the Treasurer

The statements published in this report present the financial condition of Paradise Valley Federal Credit Union on December 31, 2008. The statements presented are prepared from financial records maintained in the Credit Union office. The records have been audited by Richards and Associates and examined by the National Credit Union Administration.

Total assets increased 12.49%, shares increased 13.63% and loans increased 1.79%. Dividends paid during 2008 were \$1,643,589 representing 41.91% of gross revenue.

As well as excellent loan rates, PVFCU offers competitive rates on savings, certificates, IRA's and checking accounts.

Gary Freistad, Treasurer  
 Board of Directors