

ANNUAL REPORT 2023



59th Annual Meeting

March 6, 2023

Meeting • 5:30pm

REPORT FROM THE CHIEF EXECUTIVE OFFICER

As we close the door on 2022, we take some time to reflect on all of the exciting things that happened over the last year. I am very proud of the direction the CU is heading and the steps we have taken to get us there more effective and more efficient. But we can do more, and we will do more. By being intentional with where we focus our resources. We will do this by building new partnerships, working with our communities, and being innovative enough to create products and services that fit our members and business members unique needs.

Our staff was certainly extra busy in 2022. It takes an entire year or more to prepare for and implement a core processor conversion. This means everything from savings and loans to home-banking and statements has a new software, and a new process. This was no small undertaking. You will be happy to know that the employees at United Financial Credit Union had only the best interest of the members in mind when finalizing every small detail. I commend them for all of the hard work and commitment they give to the credit union each and every day.

The executive team and board of directors entered the 2023 budget planning with emphasis on technology, data, and ensuring the culture at United Financial was everything we wanted and needed it to be. It was then that the Employee Wow Initiative was born. We strive to build a culture that empowers employees to balance the contributions they make to their profession, their families and friends, and their community. We will do this by creating a work environment that allows us to work together. Then we can inspire each other, collaborate better, and communicate effectively to optimize performance. We will share the same goals, and we will report on the status of our goals monthly. Together, and with our employee and leadership commitments, we will accomplish so much more.

As we look to the future, we are putting a strong emphasis on mitigating risk and improving member experiences. United Financial has been, and continues to be, a safe place for our members and their finances. The credit union performed well from a safety and soundness perspective in our most recent annual exam. We continue to grow at a pace that is safe and in a way that will sustain our net worth ratio of 10.06%.

On behalf of my team, we are looking forward to a successful 2023 for the Credit Union and our entire membership. In closing, I would like to thank the board of directors, the management team, and the entire staff at United Financial Credit Union.

Barbara Appold
CEO/President

REPORT FROM THE CHAIRMAN OF THE BOARD

United Financial Credit Union has kept pace with the turbulent times while operating with strong fiscal responsibility. A successful credit union is anchored with a committed and well-run Board of Directors.

In a constantly evolving credit union industry, it's vital to stay informed of consumer, economic and financial trends and challenges that affect our members and the credit union. A devoted board member's work is never done. The Board of Directors is providing safe and sound financial stewardship of the assets of the credit union, providing the membership with the high-quality financial services at competitive prices, providing opportunities for the membership to improve their economic and social condition, while complying with all applicable laws, regulations, and Bylaws of the credit union.

The credit union according to the last Office of Credit Unions Examination is operating safely and soundly and the interests of depositors, creditors, and shareholders are protected. The last independent auditor's report also stated the United Financial Credit Union financial statements present fairly, in all material respects, the financial position of the credit union, and the results of the operations, the cash flows are in accordance with accounting principles generally accepted in the United States of America.

The Board of Directors knows that we play an integral part in the success of the credit union and the decisions made to benefit our members. The directors know that it is vital to advance their knowledge of current industry trends and impacts, be inspired to cultivate new ideas that propel the credit union forward and lead the financial industry in caring about the members and the community we serve and live in. The Board of Directors is committed and dedicated to the members, management and staff in helping them provide financial well-being.

Edward Ulmer
Chairman of the Board

2022 ANNUAL BUSINESS MEETING MINUTES

The meeting was called to order by Chairman Ed Ulmer at 6:03pm electronically via the MS Teams application. The following Board members were present: Ed Ulmer, Jillyan Poag, Jim Trommer, Ron Trevillian, Bob Callison, Bruce Miller and Pat Hatch. In addition, Barbara Appold was present. Other guests were also in attendance.

There was a motion by Bob Callison and supported by Jim Trommer to approve the minutes from the 58th Annual Meeting. The motion was carried.

A motion was made by Bob Callison and supported by Jim Trommer to approve the Chairman's Report. Carried.

A motion was made by Jim Trommer and supported by Bob Callison to approve the CEO's Report. Motion carried.

The Treasurer's report was reviewed, and the current financial condition was discussed. It was acknowledged that due to the timing of Rehmann performing the financial statement audit, the 2021 Year-End Financials are unaudited at this time. A motion was made by Pat Hatch and supported by Bob Callison to approve the Treasurers Report. Carried.

The Credit Committee Report was approved with a motion by Pat Hatch, supported by Jillyan Poag. Carried.

A Bylaws change was reported to the group. The Board previously approved the change to increase the Board size from 7 to 8.

Ron Trevillian gave the Board election results as follows: there were openings on the Board, two individuals were nominated by the deadline which filled the open positions, so no ballots were needed. Elected to a three-year term on the Board of Directors are Bob Callison and Ed Ulmer. The newly added position will be filled by Dale Sanders, effective with the Reorganizational Meeting in March.

A motion was made by Bob Callison and supported by Ron Trevillian to adjourn. Carried.

Pat Hatch
Secretary

Ed Ulmer
Chairman

FINANCIAL REPORT

INCOME	2021	2022
Interest on Loans	\$7,672,618.69	\$7,801,634.42
Income from Investments	\$1,151,025.52	\$1,688,547.18
Other Operating Income	\$3,485,774.89	\$3,489,921.65
TOTAL INCOME	\$12,309,419.10	\$12,980,103.25

EXPENSE	2021	2022
Employee Compensation & Benefits	\$3,566,315.83	\$4,074,750.45
Travel & Conference Expense	\$85,177.37	\$90,517.82
Office Occupancy Expense	\$876,757.73	\$980,320.23
Office Operation Expense	\$1,653,570.78	\$1,831,430.75
Education & Promotional Expense	\$547,109.57	\$547,454.81
Loan Service Expense	\$358,632.29	\$274,764.55
Professional & Outside Services	\$473,700.87	\$471,680.88
Provision for Loan/OOPS Losses	\$606,430.70	\$737,688.37
Exam & Supervisory Expense	\$52,835.25	\$54,055.13
Interest on Borrowed Money	\$7,500.00	\$10.72
Miscellaneous Expense	\$59,869.74	\$82,599.49
Non-Operating Gain/Loss (Asset or Investment)	\$103,687.57	(\$65,054.61)
TOTAL EXPENSE	\$8,391,587.70	\$9,080,218.62
INCOME LESS EXPENSE	\$3,917,831.40	\$3,899,884.63

DISTRIBUTION OF INCOME	2021	2022
Undivided Earnings & Reserves	\$2,788,501.49	\$2,652,665.13
Dividends to Members	\$1,129,329.91	\$1,247,219.50
Net Worth	9.48%	10.06%

LIABILITIES AND EQUITY	2021	2022
Member Shares	\$216,592,248.65	\$225,744,860.75
Individual Retirement Accounts	\$16,116,924.18	\$15,799,152.92
Certificates of Deposits	\$49,784,609.07	\$56,738,772.77
Christmas & Vacation Accounts	\$189,126.11	\$145,687.22
Other Liabilities	\$557,133.35	\$577,326.93
Required Reserve	\$2,252,708.63	\$0.00
Undivided Earnings	\$23,302,811.68	\$28,275,214.74
Equity Acquired in Merger	\$3,787,615.69	\$3,787,615.69
Unrealized Gain/Loss AFS Securities	(\$933,527.54)	(\$10,815,666.84)
TOTAL LIABILITES AND EQUITY	\$311,878,064.86	\$320,414,372.95

2021 Financials - Audited 2022 Financials - Unaudited

CREDIT COMMITTEE REPORT

The Credit Union financial operations outlook for 2023 continues to be positive. Will there be a recession, how severe or modest could it be? These are the questions we are asking. If inflation remains high, and the Federal Reserve continues to aggressively raise interest rates and keep them elevated, the chances increase. In the face of these challenges, presents opportunity. Finding the right loan product for our members remains a high priority. As we look toward a turbulent new year, we continue to focus on the areas and initiatives that will most directly support our members and communities.

Many factors contribute to growing and maintaining a quality loan portfolio. At United Financial Credit Union, we take all precautions to remain strong while operating under a safe and sound environment.

A total of 3034 loans were funded in 2022 increasing our loan portfolio just under ten million dollars to \$188,278,852.92. This was another strong year of loan growth for the Credit Union. At year-end, 64.31% of the Credit Union deposits were loans made to the membership.

A breakdown of the loan portfolio is as follows:

Number	Loan Type	Amount
991	New Auto, Boat, RV Loans	\$19,806,930.57
4,531	Used Auto, Boat, RV Loans	\$63,184,680.20
1,286	Real Estate Loans	\$96,281,800.53
2,994	Personal Loans	\$6,772,430.26
148	Other Loans	\$2,233,011.36
9,950	Total	\$188,278,852.92

Respectfully submitted,

Joshua Sawyer
Credit Committee Chairperson

STATISTIC REPORT

Statistics	2021	2022
Number of Accounts at Year End	23,566	23,849
Increase in Accounts	2,250	283
Number of Loans During Year	3,544	3,034
Increase in Assets	\$43,331,384.62	\$8,536,308.09
Increase in Loans	\$11,748,216.61	\$9,649,513.02
Number of Loans Since Organization	263,587	266,621
Draft Accounts	11,746	12,356
Certificates of Deposit	4,729	5,076

United Financial Credit Union Mission Statement

Through innovative, friendly, and quality service, United Financial Credit Union will provide longterm financial stability to our credit union, our members and their families!

United Financial Credit Union Core Values

Integrity

Being ethical, trustworthy and professional in our dealings with our members and ourselves.

Building Relationships

Creating partnerships and building alliances within our organization, within our communities, and with our members.

Innovation

Being pro-active in addressing the needs of our members, creating unique solutions for their financial needs.