

Supervisory Committee Report

The Supervisory Committee is of vital importance to the healthy operation of the credit union. It is the committee's responsibility to ensure that the credit union operates with sound internal controls, maintains records which accurately account for the credit union's assets, and adheres to practices that will safeguard those assets. These responsibilities are carried out by:

- Conducting periodic audits of the credit union's records and processes;
- Contracting for a financial statement audit at least annually; and
- Conducting annual member account verifications.

The annual financial statement audit of the credit union was completed as of March 31, 2022 by the Certified Public Accounting firm of Doeren Mayhew CPAs and Advisors. The audit report, issued directly to the Supervisory Committee and reported to the Board of Directors, did not identify any areas of material concern.

The Supervisory Committee believes that USF Federal Credit Union is a financially sound institution which will continue to provide outstanding service to each member. We encourage your participation as a key element for the continued success of the credit union. Your input is vital in enhancing the Supervisory Committee's ability to serve the membership.

You may contact Dr. Robin Ersing, Supervisory Committee Chair by writing to: **P.O. Box 8540 Tampa, FL 33674.**

Thank you for your continued support of USF Federal Credit Union.

Dr. Robin Ersing, Chair

Treasurer's Report

Fiscal 2022 saw a return to normal asset growth after two years of record pandemic-driven growth. As I mentioned in my report to you last year, our goal for Fiscal 2022 was to manage our asset growth to ensure we stay well-capitalized. We accomplished that goal, even during a year characterized by high inflation and significant increases in interest rates from the Federal Reserve. Despite the unusual macroeconomic background, we grew our loan portfolio by \$127 million, our second-best year of growth ever. We saw strong consumer loan demand for both auto loans and real estate loans. Our \$94 million consumer loan growth in Fiscal 2022 nearly matched the record \$98 million from Fiscal 2021. Our mortgage portfolio grew by \$44 million, which marked a new record for the credit union. However, while loans grew by \$127 million, total assets grew by a more modest \$97 million as we converted \$37 million of balance sheet cash into loans for our members. This rate of asset growth was more consistent with our pre-pandemic growth rate.

USF FCU's net profit for the year was \$7.8 million, which exceeded our plan by over 10% and was the highest profit level in your credit union's history when excluding one-time gains from asset sales. This profit is after returning nearly \$4.2 million in dividends to our members. Our strong earnings and asset growth allowed us to maintain a strong net worth profile. We ended Fiscal 2022 with an 8.63% capital ratio which was in line with our Fiscal 2021 year-end capital ratio.

Scott Brophy, Treasurer



Chair Message

**Annual Report
2022**

Your USF Federal Credit Union is a member-owned financial cooperative with over \$1.1 billion in assets and with more than 70 thousand members. Through responsible growth your deposits remain safe and secure. As a not-for-profit cooperative your membership assists in improving financial opportunities for you and every member. Members have access to better services, mobile and online banking, nine area branches, and fee-free ATMs across the nation. USF Federal Credit Union works within the credit union movement to support policies that allow credit unions to advance communities one member at a time.

USF Federal Credit Union was chartered in 1959 to deliver financial solutions to staff and faculty at the University of South Florida. Your credit union was located across various University provided locations until 1972, when the State of Florida leased land to USF Federal Credit Union to build a facility to serve members. In 1985, USF Federal Credit Union was regulated and insured by the National Credit Union Administration. USF Federal Credit Union has made deliberate and significant contributions to membership with planned growth, expanded fields of membership, member services, and community support since. In 2022, your credit union opened branches in the James A. Haley Veterans' Hospital and in Tampa General Hospital and established new corporate headquarters while maintaining and planning expansion of the USF Marshall Student Center branch.

Your USF Federal Credit Union is proud to be part of credit union organizations. The credit union movement originated with the idea that community members could improve their standard of living by combining financial resources to make loans to neighbors and coworkers. In approximately 1849, the first credit unions originated in Germany. The first credit union in the United States was established in 1909 in Manchester, New Hampshire. The Credit Union National Extension Bureau was organized, and President Franklin D. Roosevelt signed the Federal Credit Union Act into law in 1921. The National Credit Union Administration was formed to charter, supervise, and insure credit union deposits through the National Credit Union Share Insurance Fund in 1970. Credit unions, including USF Federal Credit Union, continue to advocate on behalf of members through actively encouraging our federal Senators and Representatives to legislate in the best interests of our membership.

Your volunteers serving on the Board of Directors and Supervisory Committee work with management to provide direction for and oversight of the USF Federal Credit Union. Each decision made considers the impacts on our membership and the overall financial strength of your credit union. We live our core values of excellence, passion, innovation, community, and collaboration. Our mission continues to be delivering financial solutions to improve members' lives. Our vision continues being the most influential partner in each member's financial journey. With our expanded online and mobile services we can certainly be your primary financial institution now and in your future.

Dr. Richard Will, Board Chair

STATEMENT OF FINANCIAL CONDITION

December 31

ASSETS	2022	2021
Consumer Loans	\$538,712,291	\$444,955,008
Business Loans	4,911,592	5,785,797
VISA Loans	34,079,339	26,136,513
Participation Loans	67,288,509	85,022,772
Mortgage Loans	319,933,305	276,248,227
Student Loans	4,786,550	4,731,677
Less: Allowance/Loan Losses	-6,634,762	-7,174,352
Net Loans	\$963,076,824	\$835,705,642
Cash	2,727,174	2,221,004
Investments	98,953,333	134,634,181
Bldg., Furniture & Equipment, Net	19,081,292	19,317,671
Other Assets	41,391,166	36,789,997
Total Assets	\$1,125,229,789	\$1,028,668,495

LIABILITIES		
Accounts Payable	93,503,562	51,504,268
Members Shares and Savings Accounts	934,571,129	887,783,583

EQUITY		
Reserves	3,688,130	3,688,130
Undivided Earnings	93,466,968	85,692,515
Total Liabilities & Equity	\$1,125,229,789	\$1,028,668,495

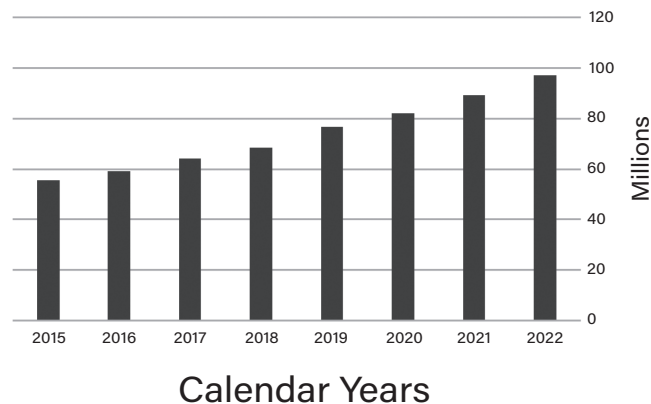
STATEMENT OF OPERATIONS

December 31

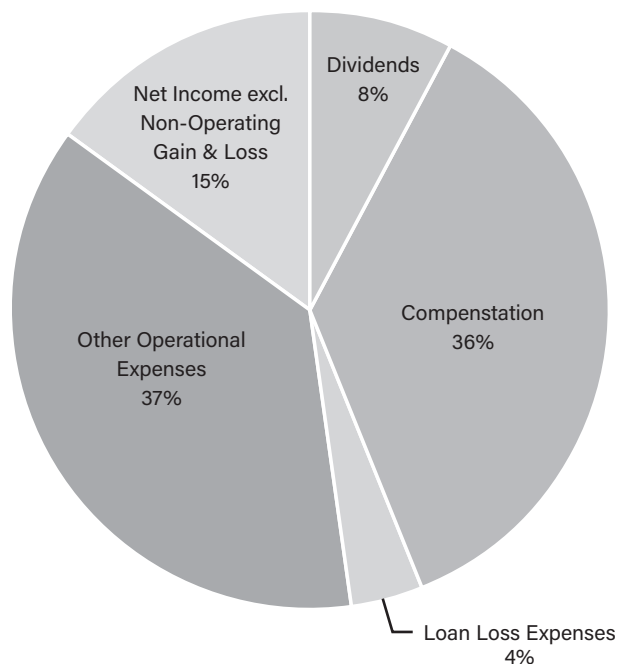
INCOME	2022	2021
Interest	\$37,588,423	\$32,287,622
Investment	916,227	129,130
Other	14,007,972	11,783,816
Total Income	\$52,512,622	\$44,200,568

EXPENSES		
Comp. & Employee Benefits	18,746,239	17,204,009
Other Operating Expenses	19,469,051	15,039,692
Provisions for Loan Losses	2,333,694	1,561,665
Total Expenses	40,548,984	33,805,367
Dividends	4,171,981	3,477,882
Gain/(Loss) on Investments	-17,204	310,328
Net Income	\$7,774,454	\$7,227,646

Capital Growth Chart



Allocation of Current Year's Revenue



Significant Balance Sheet Items

