Community Federal Credit Union

2023 COMMUNITY & MEMBER ANNUAL REPORT

Agenda

1. Call to Order
2. Declaration of a Quorum
3. Adoption of the Agenda
4. Acceptance of the 2022 Annual Meeting Minutes
5. Board Chairman and CEO Report
6. Board Treasurer's Report
7. Supervisory Committee Chairman's Report
8. Board Nominees
9. Scholarship Awards
10. Adjournment

Chairman and CEO Report

In 2023, URW Community Federal Credit Union proudly marked 54 years of helping members achieve their financial goals. And while the year was not without economic challenges, URW Community Federal remained steadfast in our commitment to financially empower our thirty-five thousand members and uplift the places we all call home. As we navigated the dynamic landscape of the financial services industry, URW Community Federal rose to meet the changing needs of our valued members. With the support and dedication of our employees, we made great strides in 2023, ending the year with more than $226.5 million in assets and $190 million in loans to our members. The Credit Union also maintained $191.5 million on deposit, net income of $2.7 million, and a return-on-assets of 1.25%. URW Community Federal stayed financially strong with a healthy net capital position of 14.27%. URW Community Federal is committed to ongoing growth and innovation, and to making a positive impact to further enhance the financial well-being of our diverse communities. We are honored to serve you. Thank you for making us Stronger Together!

Emerson Phillips, Chair, URW Community Federal Credit Union
Cheryl Doss, President and Chief Executive Officer

Treasurer's Statement

URW Community Federal Credit Union's top priority will always be to support the financial success of the individuals, families, and communities we serve. The past year brought economic challenges due to the continued rise of inflation, but URW Community Federal focused on strategic growth that expands our footprint and our ability to give members the best possible rates, products, and services. Since opening our first branch as URW 831 Members Federal Credit Union nearly 60 years ago in Ballou Park Shopping Center, we have proudly been supporting the community and working with you to ensure you can pursue your financial goals and save money while enjoying a premier banking experience. In 2023, we distributed $2.5M in dividends on deposits to our members, a notable increase from 2022's $1.3M dividends paid to our members. Our net worth ratio increased from 13.43% at year-end 2022 to 14.27% at the end of 2023. Net income of $2.7M in 2023 represents the resilience of our community. We've seen many other indicators that our renewed focus on making it all about you, our members, is positioning our Credit Union for a healthy future. With loan growth at 9.42%, our member services are allowing us to achieve our goal to be the best partner for individuals in the community. Investing in our member-owners continues to be at the heart of what we do. We look forward to helping you solidify your financial footing as you pursue your dreams!

Respectfully submitted,

Ted Fitz, Treasurer

URW Comparative Growth

Year	Assets	Share/IRAs	Loans	Members
2023	$ 226,515,706	$ 191,579,468	$ 190,595,095	34,713
2022	215,283,117	181,801,822	174,395,110	33,378
2021	222,195,070	191,734,906	138,201,528	32,041
2020	220,969,188	194,468,222	144,010,188	31,461
2019	198,341,947	175,508,146	150,969,658	30,021
2018	188,164,015	167,800,953	156,274,842	28,057
2017	177,827,176	158,237,013	148,828,735	25,243
2016	164,559,523	147,340,346	138,921,932	22,125
2015	147,135,396	132,134,960	128,020,002	19,196
2014	127,180,342	113,353,156	105,537,363	16,611
2013	113,042,175	103,420,760	75,833,063	14,642
2012	100,453,188	90,625,939	63,831,453	13,623
2011	89,335,663	80,924,971	63,367,538	13,393
2010	73,229,157	66,086,236	56,925,622	12,701
2000	24,681,107	21,054,505	19,965,070	4,853
1990	9,647,959	8,410,421	7,378,402	2,698
1980	1,266,848	1,149,722	1,218,193	1,899
1970	30,550	22,636	28,692	274

Financial Growth

	2023	2022
ASSETS		
Loans to members	$ 190,595,095	$ 174,395,110
Cash on hand	3,686,977	4,885,025
Investments	21,535,872	22,704,376
Furniture, Fixtures, Equipment	1,587,184	1,894,894
Building	6,141,695	6,350,234
Other assets	2,968,883	5,053,478
Total Assets	**$ 226,515,706**	**$ 215,283,117**
LIABILITIES		
Share & draft accounts	$ 90,950,122	$ 95,095,488
Certificates	69,616,382	51,139,133
Money Markets	7,237,433	11,736,753
IRAs	23,775,531	23,830,449
Accounts payable	3,774,262	2,962,446
Reserves-Equity	31,161,976	30,518,848
Total Liabilities	**$ 226,515,706**	**$ 215,283,117**

Operational Statement

SOURCES OF INCOME	2023	2022
Interest from loans	$ 15,582,606	$ 12,704,659
Income from investments	547,200	483,699
Other Income	729,137	650,263
Non-Operating income	4,740,457	3,014,730
Total Income	**$ 21,599,400**	**$ 16,853,351**
DISTRIBUTIONS		
Dividends	$ 2,520,851	$ 1,347,300
Expenses	15,110,465	10,759,055
Provision for loan losses	986,256	1,783,066
(Gain)Loss on asset disposition	246,115	168,959
Total distributions	**$ 18,863,687**	**$ 14,058,380**
Net Income	**$ 2,735,713**	**$ 2,794,971**

Safety, Soundness and Security Report
From URW Community Federal Credit Union's Supervisory Committee

The Supervisory Committee provides the membership with an independent appraisal of the safety and soundness of URW Community Federal's operations and activities. It does so in compliance with the Federal Credit Union Act and URW Community Federal's bylaws. The Committee reviews all audit reports and meets monthly to discuss audit results, and the status of management's action on all prior audit recommendations. The Supervisory Committee ensures that URW Community Federal's financial statements provide a fair and accurate presentation of its financial condition, and that management establishes and maintains sound internal controls to protect the assets of your credit union. The Supervisory Committee employs the independent accounting firms of Brown Edwards and Co. LLP and CliftonLarsonAllen LLP to assist in meeting its responsibilities. Acting as your ombudsman, the Supervisory Committee assures that all members are treated fairly by maintaining open communication with the membership. The National Credit Union Administration (NCUA), the regulatory agency for all federally chartered credit unions, also performs periodic supervisory examinations. Based on the results of the Annual Report of Independent Auditors and the Examination Report of the NCUA, it is the opinion of your Supervisory Committee that URW Community Federal continues to be financially strong and well managed, with sound policies and programs.

Sincerely,

Barry Creasy, Chairman

NOMINEES FOR BOARD OF DIRECTORS

The nominating committee herby recommends the following nominees for Board of Directors

Jerry Harris

Jerry has been a member of the credit union since 1985. He served as Chairman of the Credit Committee and later on the Supervisory Committee. Jerry retired from Goodyear Tire and Rubber Company in January 2007 after 35 years of service. He and his wife Ida have two daughters and one grandson. Jerry is a member of White Oak Grove Baptist Church in Sutherlin. He is also a member of the Olympia Lodge #179. Jerry is Past President of the George Washington High School Basketball Booster Club and a member of the Harry Johnson Basketball Classic Tournament. He has been associated with Fisher and Watkins Funeral Home for over 30 years. Jerry enjoys helping people whether it's financial or personal need. It is his pleasure and privilege to serve his church and community.

L.C. Moore, Jr. *(Incumbent)*

L.C. has been a member of the credit union since 1970, the year the credit union was chartered. He has been active in the credit union since 1972, first serving on the Supervisory Committee and then on the Board. He has held the position of Secretary, Vice-Chairman and Chairman. L.C. is active in the Piedmont Chapter of Credit Unions and was recognized as Volunteer of the Year in 1999. He retired from Goodyear Tire and Rubber Company after 38 years of service as an electrician. L.C. is very active in the community. He is president of The Danville Running and Fitness Club, on the board of Festival in the Park, serves on the board of the Danville Harvest and Jubilee and has served on the Danville Parks Recreation and Tourism Department's Outdoor Advisory Committee. He also served on the Pittsylvania County Parks and Recreation Advisory Committee that led to hiring a P&R Director and setting up a 5-year plan for the County.

Respectfully submitted,

The Nominating Committee

2024 Scholarship Winners

Recipient	High School	College
Jasmine Beame	Galileo	Longwood University
Christopher Bowman	Westover Christian Academy	Liberty University
Mia Davis	Tunstall	Radford University
Jordan Elliott	Chatham	Danville Community College
Me'Sharlia Fountain	Halifax	William and Mary
Laura Harville	Dan River	JMU
Kelsey Hyler	Tunstall	Averett University
Camari McCain	George Washington	Norfolk State University
Evan Morton	Tunstall	University of Virginia
Seth Striker	Chatham	Coastal Carolina