

Consolidated Statement of Financial Condition

	2022	2023	Variance	% Change
Loans	\$ 13,237,343	\$ 12,506,392	\$ (730,951)	-5.52%
Loan Loss Allowance	\$ (173,843)	\$ (331,253)	\$ (157,410)	90.55%
Cash & Investments	\$ 22,801,012	\$ 20,076,417	\$ (2,724,595)	-11.95%
Fixed Assets	\$ 885,947	\$ 833,495	\$ (52,452)	-5.92%
Other Assets	\$ 1,939,578	\$ 2,047,947	\$ 108,369	5.59%
Total Assets	\$ 38,690,037	\$ 35,132,998	\$ (3,557,039)	-9.19%
Accounts Payable	\$ 983,858	\$ 2,324,175	\$ 1,340,317	136.23%
Deposits	\$ 31,006,396	\$ 26,143,144	\$ (4,863,252)	-15.68%
Reserves	\$ 503,641	\$ 503,641	\$ -	0.00%
Undivided Earnings	\$ 6,308,872	\$ 6,220,863	\$ (88,009)	-1.40%
Unrealized Gain/Loss	\$ (112,730)	\$ (58,825)	\$ 53,905	-47.82%
Total Liabilities	\$ 38,690,037	\$ 35,132,998	\$ (3,557,039)	-9.19%

Statement of Income

Loan Income	\$ 668,552	\$ 730,717	\$ 62,165	9.30%
Investment Income	\$ 167,150	\$ 657,995	\$ 490,845	293.66%
Other Income	\$ 2,178,379	\$ 1,446,034	\$ (732,345)	-33.62%
Total Income	\$ 3,014,081	\$ 2,834,746	\$ (179,335)	-5.95%
NCUSIF Assessment	\$ -	\$ -	\$ -	-
Operating Expenses	\$ 2,688,131	\$ 2,555,662	\$ (132,469)	-4.93%
Loan Loss Provision	\$ 142,500	\$ 9,471	\$ (133,029)	-93.35%
Non-Oper Gain/Loss	\$ 17,234	\$ 41,984	\$ 24,750	143.61%
Dividends	\$ 48,198	\$ 89,484	\$ 41,286	85.66%
Net Income	\$ 118,018	\$ 138,145	\$ 20,127	17.05%

ANNUAL REPORT 2023



Annual Report 2023

Chairman's Message



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President's Report

I am honored to continue to serve as Chairman of the Board of Directors of Financial Access Federal Credit Union. We were originally established in 1958 exclusively to serve the employees of Tropicana and then eventually other employment groups. After operating as a Community Credit Union for almost a decade, Financial Access changed its Field of Membership back to Multiple Common Bonds (serving employment groups and associations). This past year saw the credit union continue to grow its partnerships with employment groups. This allows us to go back to our credit union roots. Serving employment groups has always been the reason that credit unions were originally founded. In addition to serving employment groups, Financial Access continues to serve existing members, their family members, and anyone living in the designated census tracts in Manatee, Sarasota, and Hillsboro Counties.

Financial Access is committed to provide members with easy access to their money. It starts with a robust Fee-Free network of over 35,000 ATMs. Financial Access has invested in a digital banking platform that allows members to open accounts, apply for loans, deposit checks, and transfer money from home by using their computer or cellphone. We continue to reduce the need for members to travel to the branch to conduct their banking and have demonstrated to NCUA our ability to effectively serve our members. This was highlighted with another strong annual review.

The credit union continues to maintain strong financials. This is exhibited by our 19.14% Net Worth Ratio. This is three times NCUA's requirement and it is much higher than our peers. This reflects Financial Access' strong financial health. We continue to seek out ways to improve your banking experience. This has led us to invest in very important digital banking solutions to give members the option to bank in person or virtually. Making banking easier was our primary objective in 2023.

As I look toward 2024, I am thrilled to report that your credit union has identified an amazing merger partner that will allow us to continue to improve our members banking experience. Thank you for trusting us with your financial life, and we will continue to strive to provide the best products and services for our membership.

Sincerely,
Timothy Bare
Chairman of the Board of Directors

I would like to thank the Board of Directors and members of Financial Access Federal Credit Union for trusting me to serve as President/CEO for the last decade. We are committed to promoting a vision of financial empowerment for our members. The mission for Financial Access is to "Strengthen communities, build assets, and improve lives in and around Manatee County by providing access to affordable, high-quality financial products and related services with emphasis on the needs of low-income communities".

The year of 2023 saw major pressure to increase interest rates as a result of significant hikes from the United States Federal Reserve. Financial Access responded to these increases by increasing the interest rates received on some of our deposit products. You as a member can expect to earn more on your CDs and other long-term deposit products. We strived to keep interest rate increases on loan products to a minimum.

Financial Access continues to partner with community based organizations in an effort to improve the financial viability of members and the at-large community. We trained not-for profit employees on financial wellness and also taught them how to introduce the Zogo financial literacy app to its clients. This was the initiation of our strategy "To help the people that help people in our community".

Financial Access was recertified by the U.S. Treasury as a Community Development Financial Institution (CDFI) in 2023 thus affording our institution the opportunity to continue to pursue resources to help our members improve their financial wellness. To date we have received six CDFI grant awards totaling over \$5 million.

In an effort to improve the credit union's ability to provide access to state of the art software and attractively priced loan and deposit

products, Financial Access is pursuing a partnership/merger with Credit Union 1 out of Chicago, Illinois. This union will allow Financial Access to become a part of a \$1.6 billion credit union. This merger will significantly increase the products and services that we will be able to offer our membership. The merger has been approved by Illinois Regulators and NCUA. The merger has also been approved by the board of directors of Financial Access Federal Credit Union. The last remaining hurdle is a membership vote slated for early 2nd quarter 2024. The completion of this merger will significantly increase our ability to provide access to quality financial empowerment products and services.

As we move into 2024 Financial Access will continue to expand its ability to better serve members. Merging with Credit Union 1 with its commitment to a financial empowered membership is an important step for Financial Access. CU1 along with Financial Access was founded in 1958 in Rantoul, Illinois. They have since grown into a billion-dollar-plus financial institution, but the priorities remain the same—helping families and communities succeed financially.

Financial Access continues to have very strong financials. The credit union's Net Worth Ratio increased from 17.6% at the end of 2022 to a robust 19.14% ending 2023. This is much more than the industry average and more than three times the government requirement of 6%.

After serving members in this community for over 65 years, we are thankful for your continued membership and support. We look forward to a prosperous 2024.

Sincerely,
Sherod Halliburton
CEO/President

Treasurer's Report

In 2023, Financial Access Federal Credit Union embarked upon significant operational changes deemed necessary due to the long-term impacts of the pandemic. Financial Access made significant investments in technology and resources in an effort to reshape the organization post-pandemic.

The Credit Union experienced a decrease in assets as well as loans in 2023, while our capital and our reserve ratio increased.

Financial Access ended the year with \$6,724,504 in capital reserves. Our capital position increased from 2022, ending the year at 19.14%. The average Reserve Ratio for our peers remains closer to 12%. The NCUA regards 6% as adequate capitalization placing Financial Access at three times the Federal requirement.

Member deposits for 2023 decreased by 15.68%. The decrease in deposits is largely due to rising prices causing members to access their savings accounts. Loan balances decreased by 5.52%, to \$12,506,391, due in part to a reduction in loan demand caused by

the increased Fed rate. We spent a lot of energy bringing in new systems to make our operation as efficient as possible. Our operating income decreased in 2023 to \$2,834,746, this was a 5.95% decrease from 2022. This is directly due to the grant income used. Operating expenses decreased to \$2,555,662. The decrease in expenses is due to the investment in new systems and technology FAFCU made in 2022.

Financial Access has a long history of being well-capitalized with sound operational practices. The credit union continues to grow and improve services without compromising these values and principles. Thank you for choosing Financial Access Federal Credit Union. We value your membership and hope you will continue to be a part of our family as we look forward to great things in 2024.

Edward Bailey,
Treasurer

Per the Federal Credit Union Act and Financial Access Federal Credit Union's bylaws, the Supervisory Committee exercised its independent Credit Union oversight responsibilities through the engagement of an external financial auditor and review of the National Credit Union Administrators' (NCUA) recent examination results and related matters. The Committee also individually audits various aspects of the Credit Union's operation throughout the year. At the conclusion of the June 30, 2023, external financial audit, the Committee reviewed the findings set forth by Ewart and Associates. The Supervisory Committee is unaware of any matter considered a material weakness or significant deficiency in internal control over financial reporting. The Committee also reviewed the results of the Credit Union's most recent examination conducted by NCUA, the Credit Union's regulator, as of September 30, 2023. Results of the NCUA examination

indicate that the Credit Union is financially sound. NCUA examination results, recommendations, and regulatory guidance are reviewed and acted upon by management promptly and appropriately.

The Committee is pleased to report that Financial Access Federal Credit Union continues to be well-managed and in strong financial condition. If the Committee can be of assistance to you, please contact us at PO Box 45, Bradenton, FL 34206. We respond to letters received from you, the members, and are here to be of service to you.

Respectfully,
Wendy Gorevan, VP of Finance
Committee Chairman, Kevin Lang
Committee Members: Tim Bare and James Roberts

Supervisory Committee Report