

New Branch Office Coming Soon  
To East Brunswick!



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Aneta Szewczyk	Branch Manager
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Ewelina Zajac	MSR

# 2022 ANNUAL REPORT

Committed to helping our members become financially successful!



Where People Are Worth More Than Money

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## Note from CEO

I am grateful to our members for their unfailing loyalty and support this challenging year. I would also like to thank the Board and my staff for their efforts to make our Credit Union a better place to bank, and for swiftly adapting to the needs of the bumpy economy and rapidly expanding information technologies. While it was difficult to curb the increases in the operating expenses, we managed to stay below inflation levels without sacrifice to security and level of service. We remained focused on stronger lending efforts and improving our service offer in 2022, which is validated by the high Credit Union national ranking by Callahan. We continue to invest in new technologies to better equip us to serve you in the digital era.

It's been a very solid lending year. We wrote over \$14.2mln in new loans last year with over \$6.5mln in car loans and \$6.7mln in mortgage loans, which helped our bottom line and capital position, but primarily matched the needs of our membership. What we take the most pride in is that our members recommend us and our services to their families and friends—that's how we get most of our business. Your trust and satisfaction with our service are the utmost compliment. We continue with our commitment to helping our members become financially successful and measure our success with their success.

Thank You,  
Iwona A. Karpeta, CEO



## Income Statement Commentary

Net interest income increased by over \$92,000 as we grew our loan portfolio by over 21% compared to 2021. Credit Union paid out over \$36,000 more in dividends as well. Real estate loans generate about 72% of our loan interest income. Investment income increased by almost \$23,000 with the rates increasing in the second half of 2022. Loan delinquencies remained almost unchanged last year. Operating costs increased by about 4.9% as we were faced with increased expenses across all categories, but especially technology/security expenses as well as plastic programs expenses. Overall year 2022 ended with a healthy profit of almost \$114,000 which strengthened our capital position, including over \$72,000 refunded from Members United CFCU capital written off in 2010. It allowed us to increase the 2022 scholarship funds allowance. We ranked 14th in the entire county among credit unions \$50-100mln for “return to members” and 11th for our “return to borrowers” according to Callahan. It's a validation of our long-term efforts to offer the most competitive loan rates, low fees and attractive savings rates to our members.

### Income Statement

	2019	2020	2021	2022
Interest Income	\$1,358,037	\$1,440,738	\$1,381,766	\$1,487,8109
Investment Income	266,66	203,543	131,356	154,280
Total Interest Income	1,624,698	1,644,280	1,513,122	1,642,090
Dividend and Interest Expense	153,159	122,883	87,643	123,984
<b>Net Interest Income</b>	<b>1,471,539</b>	<b>1,521,397</b>	<b>1,425,479</b>	<b>1,518,106</b>
Provision for Loan Losses	120,279	36,247	(14,489)	53,331
Other Income	217,852	174,885	332,558	205,728
Employee Compensation	562,990	644,442	673,804	714,403
Office Operations	624,014	646,215	666,154	727,454
Professional and Outside Services	46,763	38,872	38,617	40,233
Promotional and Advertising	110,611	126,766	151,993	125,498
Other	27,357	27,716	22,567	21,706
<b>Total Operating Expenses</b>	<b>1,371,734</b>	<b>1,484,011</b>	<b>1,553,135</b>	<b>1,629,293</b>
Net income before share insurance expense and non-operating gains (losses)	197,379	176,025	219,391	41,210
Share Insurance Expense				
Gain (loss) on sale of assets				
Impairment expense				
Non-Operating Gains (Losses)		5,000	297,387	72,785
<b>NET INCOME</b>	<b>197,379</b>	<b>181,025</b>	<b>516,778</b>	<b>113,995</b>

## Balance Sheet Commentary

Our deposit base expanded by over \$4mln or 8.8% in 2022. Our investment portfolio expanded as well, but mostly in the short-term categories. We wrote over \$14 mln in loans (mostly car and mortgage loans) with increased growth pace in the second half of 2022.

Ratios illustrate some of our performance areas. Cost of funds increased as dividend rates went up throughout 2022. Our capital at the end of 2022 was over 8.68%, while the return on average assets was at 0.2%

**Committed to helping our members become financially successful!**

### Balance Sheet

	2019	2020	2021	2022
Member Loans	\$29,591,012	\$32,155,161	\$32,641,439	\$39,696,565
Allowance for Loan Losses	(228,066)	(230,464)	(207,377)	(257,957)
Cash on Hand & Deposit	497,649	2,656,645	5,206,605	1,065,757
Investments	9,988,956	10,935,928	12,532,268	13,500,594
Fixed Assets	220,349	130,971	151,954	157,679
Other Assets	557,715	926,138	825,431	1,071,879
<b>TOTAL ASSETS</b>	<b>40,627,615</b>	<b>46,574,380</b>	<b>51,150,320</b>	<b>55,234,517</b>
Dividends Payable				
Outstanding official checks	208,737	210,412	114,856	165,345
Accounts Payable	180,204	509,181	478,125	631,230
Loans Payable	925,744	—	—	—
Total Liabilities	1,314,685	719,593	592,981	796,575
Shares and Deposits	35,317,282	41,641,431	45,915,645	49,952,771
Regular Reserves	240,574	240,574	240,574	240,574
Undivided Earnings	3,755,074	3,972,781	4,401,120	4,244,596
Total Equity	39,312,931	45,854,787	50,557,339	54,437,941
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>40,627,615</b>	<b>46,574,380</b>	<b>51,150,320</b>	<b>55,234,517</b>
Cost of Funds	0.43%	0.32%	0.20%	0.26%
Return on Average Assets	0.49%	0.41%	1.05%	0.21%
Return on Loan Portfolio	4.82%	4.59%	4.20%	4.07%
Return on Investments	2.50%	2.10%	1.08%	1.14%
Capital Ratio	9.81%	8.94%	9.15%	8.68%