

STATEMENTS OF INCOME

Period ending
December 31, 2023,
and 2022

INTEREST INCOME	2023	2022
Interest on loans receivable	\$10,672,737	\$9,753,127
Interest on investments	1,378,003	459,267
Interest income	12,050,740	10,212,394
INTEREST EXPENSE		
Dividends on share and savings accounts	2,649,069	1,004,959
Interest expense	2,649,069	1,004,959
NET INTEREST INCOME	9,401,671	9,207,435
PROVISION FOR LOAN LOSSES	997,308	1,185,113
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	8,404,363	8,022,322
NON-INTEREST INCOME		
Card income	1,740,057	1,677,020
Service charges	668,466	630,705
Other non-interest income	355,404	563,419
Total non-interest income	2,763,927	2,871,144
NON-INTEREST EXPENSE		
Compensation and employee benefits	5,018,506	4,924,909
Professional and outside services	1,988,881	1,859,004
Loan servicing	1,209,813	1,547,113
Operations	1,300,104	1,346,046
Occupancy	420,872	381,011
Total non-interest expenses	9,938,176	10,058,083
NET INCOME	\$1,230,114	\$835,383

An Independent Auditing Firm has audited the accompanying statements of financial condition of the U. S. Postal Service Federal Credit Union as of December 31, 2023, and 2022, and the related statements of income, members' equity and cash flows (not presented herein) for the years then ended; in their report dated April 13, 2023, they expressed an unmodified opinion on those financial statements. These financial statements are the responsibility of the Credit Union's management. The Independent Auditing Firm's responsibility is to express an opinion on these financial statements based on their audits. The condensed financial statements do not constitute a complete set. The complete set, including the statements of changes in members' equity, cash flows and notes to the financial statements, is available in the Credit Union office. We do business in accordance with the Federal Fair Housing Law and the Equal Opportunity Act. It is illegal to discriminate against any person because of race, color, religion, sex or national origin.

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2023 ANNUAL REPORT

CHAIRMAN'S REPORT

Dear Valued Members,

Thank you for your continued trust and commitment to the United States Postal Service Federal Credit Union. As we celebrate our 90th Anniversary, we reflect on our growth and dedication to enhancing your financial well-being. Your choice to join this member-owned financial co-op fortifies our efforts to deliver superior service amidst the evolving financial landscape.

This past year, marked by volatile economic conditions and rapidly rising interest rates, has tested our resilience. Despite these challenges, the Credit Union has thrived, maintaining a "well-capitalized" status as confirmed by the National Credit Union Administration (NCUA). Through strategic management and robust support from the Board of Directors, we've managed to not only sustain but also enhance our service offerings without compromising our commitment to affordable lending. Our favorable loan rates helped members finance over \$9 million in new and used autos, while our competitive rates on share certificates and IRAs have contributed to a net income of \$1.23 million.

Innovation and service enhancement have also been at the forefront this year. We successfully launched an online account opening system, which streamlined processes and reduced operational costs, enhancing the member experience significantly. Furthermore, we entered into the realm of AI when we introduced RITA, our artificial intelligence chatbot, to improve website navigation, and our new debit card mobile app has brought modern conveniences like digital card replacement and customizable security features directly to our members' fingertips.

Our commitment extends beyond just financial services. The relocation of our Mission Hills branch in California to a more accessible facility underscores our dedication to member convenience. We've also been active in the community, providing webinars on financial wellness, awarding scholarships, and supporting local events.

Looking forward, we're excited about introducing new services such as interest-only home equity loans and revamping our website to enhance user experience. New electronic forms will soon be available online to streamline transactions and reduce the use of paper and ink resources. This is something we committed to in 2022 when we introduced our Statement of Social Responsibility.

Despite the uncertain economic climate, we are optimistic about our future and remain committed to providing quality services that meet your financial needs. We are dedicated to continual improvement and are confident in our strategic direction, ensuring that USPS FCU remains your trusted financial partner for years to come.

Happy 90th Anniversary, and here's to many more successful years together!

Respectfully submitted,

Michael McCartney
Chairman, USPS FCU Board of Directors

SUPERVISORY COMMITTEE

CAROL MORGAN *Chairman*
RICHARD STRASSER, JR. *Member*
LEONARDO GREEN *Member*

STATEMENTS OF FINANCIAL CONDITION

Period ending
December 31, 2023,
and 2022

ASSETS	2023	2022
Cash and cash equivalents	\$26,845,493	\$4,083,969
Investments:		
Available-for-sale	11,461,739	13,454,792
Held-to-maturity	—	489,000
Loans receivable, net of allowance for credit losses	223,072,076	243,731,011
Accrued interest receivable	726,765	725,906
Premises and equipment, net	198,605	239,978
National Credit Union Share Insurance Fund deposit	2,167,404	2,245,955
Right of use assets	1,217,410	1,073,272
Other assets	3,543,027	4,779,816
Total Assets	\$269,232,519	\$270,823,699
LIABILITIES		
Members' share and savings accounts	\$225,408,798	\$230,110,753
Borrowed funds	11,500,000	10,500,000
Lease liabilities	1,227,982	1,073,272
Accrued expenses and other liabilities	1,856,755	1,438,260
Total Liabilities	239,993,535	243,122,285
MEMBERS' EQUITY		
Appropriated undivided earnings	29,368,650	28,138,536
Accumulated other comprehensive loss	(1,108,598)	(1,416,054)
Equity acquired in merger	978,932	978,932
Total Members' Equity	29,238,984	27,701,414
Total Liabilities and Members' Equity	\$269,232,519	\$270,823,699



BOARD OF DIRECTORS

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