

Chairman's Report

Phil Ridolfi,
Chairman



Looking back at our plan for 2022, I can say Sharonview has accomplished quite a lot. We adjusted our goals mid-year to reflect myriad deposit opportunities in response to membership growth, which included the addition of a number of new deposit products like the Jumbo Money Market and Rate for Everyone Certificate. We also made positive improvements to our consumer loan experience by leveraging technology on our website.

The introduction of Member Business Services in 2021 proved to be a worthwhile endeavor that continues to grow. This suite of products and services continues to help small business owners across the Carolinas realize their dreams.

It is not only our fiduciary responsibility to ensure that the products and services Sharonview offers is with the credit union's health and your best interest in mind, it is our privilege to do so. We remain committed to improving your credit union experience and financial well-being one day at a time.

CEO's Report

Herb White,
President & CEO



A year ago, if you told me I would be serving as President and CEO of Sharonview, I wouldn't have believed it. I have loved and served this organization for over five years, and I'm both humbled and honored to be in this role. It goes without saying that Sharonview thrived under former CEO Bill Partin's leadership, and I'll do my very best to be the leader this credit union, its employees, and its members deserve.

That starts with trust. It's in our DNA at Sharonview. We're built on 67 years of honest conversations and member-focused service. We wouldn't be where we are without it. The nation's financial environment is tenuous at best, and it's important to remind our membership of what really matters. So, we're going back to basics. We're evaluating what it means to be a credit union at the core, and it comes down to you.

This year, we're excited to reinforce our commitment to our members by ushering in new technologies that will enhance the member experience and meet folks where they are in life. We want business with us to be easy and convenient. Our goal is to offer products and services that make your life better. That's it. It's that simple.

We're 100,000 members strong *(and growing!)* and we're stronger together.

Supervisory Committee Report

Don Lathrop



The supervisory committee consists of volunteers who are members of your credit union. The committee has various oversight responsibilities, focusing on the quality and integrity of the credit union's financial statements and the adequacy of the overall system of internal controls and risk management.

Each year, this committee engages a certified public accounting firm to perform an annual opinion audit of the credit union's financial statements and a verification of member accounts. Moss Adams LLP performed these services for the credit union in 2022 and issued a clean opinion on the 12/31/22 financial statements.

The committee is responsible for ensuring that credit union policies and procedures adequately protect our members' interests. To meet this requirement, the committee oversees a staff of professional internal auditors who perform various audits and reviews throughout the year. The Internal Audit department regularly reports to the committee on the adequacy, efficacy and efficiency of the credit union's system of internal controls and risk management. They also report on management's processes for monitoring compliance with laws and regulations, policies and procedures and ethical guidelines.

Finally, the committee is responsible for reviewing the results of examinations conducted by the National Credit Union Administration (NCUA) to provide reasonable assurance that management adequately addresses any recommendations to improve the operations, safety and soundness of the credit union.

Based on the results of audits, reviews, and examinations conducted in 2022, it is the opinion of the Supervisory Committee that Sharonview Federal Credit Union is in solid financial condition and well positioned for the future. We encourage you to contact us if we can be of any assistance, as we are here to be of service to you, the members.

Treasurer's Report

Mike Grom



The 2022 Annual Report to Membership contains audited financial statements of Sharonview Federal Credit Union's financial condition. Just a few of the past year's highlights include:

Asset Growth: 7.32%
Share Growth: (1.24)%
Capital to Asset Ratio: 6.32%
Loan Growth: 19.33%

Sharonview, like most other financial institutions, was presented with economic challenges throughout 2022 as interest rates accelerated rapidly after being much lower during an extended period of economic accommodation. Our members were not only challenged with rising interest rates, but also with high inflation pressures as well. To assist our members in navigating through this challenging environment, Sharonview's focus has been on providing our members with a portfolio of new competitive financial products to help meet their changing needs. Our ability to meet this objective was demonstrated with our accelerated Loan growth throughout the year, particularly in Consumer Loans which increased by nearly 43%. In addition to Loans held in our Portfolio, we sold \$81 million in Mortgage and Indirect Auto Loans which provided a gain to net income. During the year, our Share Deposits slightly declined by 1.2% as high Inflation and pent-up consumer demand led to a slight member drawdown.

For the year, we experienced a net loss of \$3.6 million and included \$5.7 million in unrealized mark-to-market losses on investments held within Sharonview's portfolio. Excluding these unrealized losses, earnings were positive as we experienced higher interest income from our expanded loan portfolio coupled with reduced operating costs as compared to the prior year.

Sharonview's asset quality and capital remained strong. The Credit Union is considered "Well Capitalized" per the National Credit Union Administration (NCUA) guidelines. The serious commitment and expertise of our professional management team, under the watchful guidance of your Board of Directors and other volunteers, makes certain that Sharonview Federal Credit Union remains a sound place for members to invest, borrow, and look to in meeting their financial needs.

We look forward to achieving another solid year in 2023.

Statement of Financial Condition

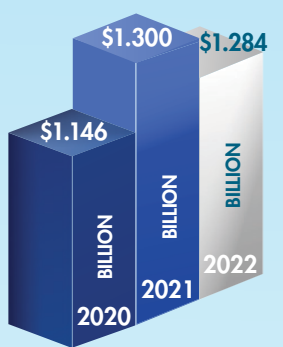
Assets	2022	2021
Cash and cash equivalents	\$ 72,807,074	\$ 99,377,008
Available-For-Sale securities, at fair value	222,598,982	307,301,849
Marketable equity securities, at fair value	19,540,632	23,519,248
Interest bearing deposits	1,337,171	1,327,909
Restricted equity securities	21,601,150	15,323,970
Loans receivable, net	1,496,628,337	1,254,225,464
Accrued interest receivable	6,196,379	5,385,395
NCUSIF deposit	12,996,808	12,390,576
Foreclosed and repossessed assets	102,540	51,392
Property and equipment, net	61,854,647	66,176,200
Mortgage servicing rights, net	6,042,399	5,785,796
Goodwill and other intangibles	4,728,850	4,728,850
Operating lease right-of-use assets	5,172,806	—
Other assets	<u>18,588,892</u>	<u>21,501,738</u>
Total Assets	\$ 1,950,196,667	\$ 1,817,095,395

Liabilities	2022	2021
Members' share and savings	\$ 1,283,722,317	\$ 1,299,844,763
Non-member certificates	138,785,438	71,675,606
Borrowed funds	369,660,370	246,551,577
Operating lease liabilities	5,226,909	—
Other liabilities	<u>29,523,520</u>	<u>32,411,927</u>
Total Liabilities	1,826,918,554	1,650,483,873

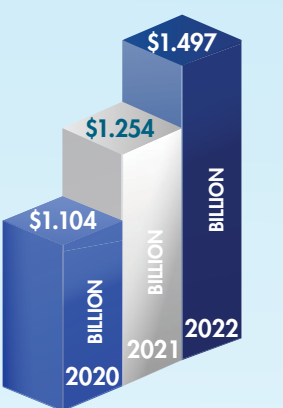
Member equity	<u>123,278,113</u>	<u>166,611,522</u>
Total Liabilities and Equity	\$ 1,950,196,667	\$ 1,817,095,395

Statement of Income	2022	2021
Interest income	68,328,691	56,489,589
Interest expense	20,221,205	18,146,199
Provision for loan loss	5,150,000	1,850,000
Non-interest income	13,728,742	28,884,869
Non-interest expense	<u>60,300,132</u>	<u>60,642,737</u>
Net Income	\$ (3,613,904)	\$ 4,735,522

Member Shares



Member Loans



Member Equity



Building
a **Strong**
Future

SHARONVIEW WAY

Sharonview Federal Credit Union's board consists of 11 volunteer directors, all of whom are members of our credit union. Each member may serve a regular term of office for a period of three years. The members of the Board of Directors meet once a month to discuss the general direction and control the affairs of the credit union. Our team of volunteers also consists of our Associate Directors, Emeriti and our Supervisory Committee members.

Board of Directors



Phil Ridolfi
Chairman



Roy Fahl
Vice-Chairman



Mike Grom
Treasurer



Lynn MacLeod
Secretary



Ernie Taylor
Director



Larry McAdams
Director



Ken Dawson
Director



Rasmus Pedersen
Director



Rick Belcher
Director



Don Lathrop
Director



Jessica Dahle
Director



Allen Hopkins
Active Director
Emeritus



George Ledbetter
Active Director
Emeritus



Peggy Strong
Active Director
Emeritus

Supervisory Committee



Don Lathrop
Supervisory
Committee Chair



Winston Wooden
Supervisory
Committee
Volunteer



Jeffrey Meekins
Supervisory
Committee
Volunteer



Andrew Hudson
Supervisory
Committee
Volunteer

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With us it's *personal*

2022 Annual Report

Building A Strong Future