

**A N N U A L
R E P O R T
2 0 2 3**

**A FOUNDATION OF
FINANCIAL STRENGTH**

Chartered in 1935



LABOR
CREDIT UNION

CHAIRPERSON'S REPORT

The Board of Directors of the Labor Credit Union – (Labor CU), thanks you for your continued support of our vision of service to our members that began over 89 years ago with a charter established in 1935. The philosophy then, as it is today...is to serve employees, retirees and immediate families at every level of the credit score scale. As the Board members are elected democratically by our peers (field of membership), our goals are to ensure that each member obtains economic and financial growth opportunities deservedly through prudent stewardship, sound investments and financial literacy programs offered through the Labor Credit Union mentoring and training portals.

As fiduciary volunteers, we strive to protect the well-being of member assets entrusted to the Board's governance and advocacy; the Supervisory Committee's oversight of internal control and fraud prevention, and the Executive management's execution of strategically planned actions of daily operations by staff members. The Board further ensures that the policies and procedures administered by the Labor Credit Union, are in compliance with the regulatory protocols of the National Credit Union Association -(NCUA).

We honored our late Chairperson, Dr. Kevin Jackson, with the establishment of the Labor Community Foundation, which focuses on providing scholarship opportunities for adopted high school graduates and under-serviced communities in the Washington, Maryland and Virginia area.

The Labor Credit Union leadership team is working to expand and enhance internal products with new technologies, to better serve member access across several new platforms. We work for you and your family and are now expanding into business account services. This ensures that the strength, integrity, accountability, and safety of our financial packages benefit and grow for the development and well-being of Labor Credit Union members.

Thank You,
Webster Coleman, Chairperson

TREASURER'S REPORT

Given the challenges presented from 2022, 2023 was a year marked by significant improvement and overall success. For the year ending 2023, Labor Credit Union (Labor CU) had over \$130.1 million in assets and reflects a noteworthy growth in assets exceeding \$3.6 million from 2022. Total shares and deposits exceeded \$113.4 million as of December 31, 2023, and eclipsed total shares and deposits for 2022 by an impressive 9.2 percent. Further, Labor CU successfully transformed the reported loss of net income of (\$235,861) in 2022, to a reported net income gain of \$438,545 in 2023 exponentially improving the year-to-date net income performance metric (a total turnaround of \$674,406 exceeding 285 percent).

Labor CU effectively addressed loan demand in 2023 by granting 909 loans exceeding \$22.3 million that not only created long-term value for the membership, total loans and leases increased to \$101.7 million compared to \$98.3 million in 2022. Additionally, Labor CU paid dividends of \$1.045 million in 2023 exceeding dividends paid to members in 2022 by \$632,869. More importantly, even with significantly increased dividend expenses, the Labor CU net worth ratio of 10.38 percent ensured continued status as a "Well-Capitalized" financial institution.

	<u>December 31, 2022</u>	<u>December 31, 2023</u>	<u>Difference</u>
Assets	\$126,554,099	\$130,193,116	\$3,639,017
Shares & Deposits	\$103,917,221	\$113,480,611	\$9,563,390
Net Income YTD	(\$235,861)	\$438,545	\$674,406
Paid Dividends	\$412,636	\$1,045,505	\$632,869

TREASURER'S REPORT

Labor CU has successfully mitigated challenges continuing from 2022 and eliminated the negative return on average assets (ROAA) performance metric improving to a positive ROAA in 2023. Labor CU remains committed to providing comprehensive financial services and being the foundation of financial success for our membership through sustained and initiative-taking engagement. The financial success of Labor CU in 2023 has been a comprehensive team effort based on a committed and engaged board of directors, strong executive leadership, experienced management, a high-performing staff, and a supervisory committee dedicated to ensuring operational and regulatory compliance.

The Labor CU team works together to ensure that we remain financially sound and that we meet the needs of our members and families thereby strengthening their financial foundation.

Gordon Boyce, NCVE., CCUB.
Board Treasurer, Labor CU

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee consists of up to five volunteer members of the Credit Union who are appointed annually by the Board of Directors. The Committee has oversight responsibility for ensuring that management financial reporting goals are met, and the Credit Union's practices and procedures adequately safeguard member assets.

In furtherance of these goals, the Supervisory Committee obtains an external audit each year by an independent audit firm. For Fiscal Year 2023, the Supervisory Committee engaged the services of the independent public accounting firm of Horne, LLC, to conduct the certified opinion audit for the period of 3/31/2022-3/31/2023. We are very pleased to state that the results of the audit were extremely positive.

In addition to our oversight responsibilities, the Supervisory Committee also serves as a valuable link between the members and the Credit Union. Specifically, one of the most important functions of the Supervisory Committee is to respond to member concerns and complaints. The committee reviews complaints to ensure that the staff's treatment of member transactions complies with NCUA and Labor CU policies and procedures.

To voice concerns, members may email the committee directly at: SupervisoryCommittee@DOLFCU.org. Be assured, the Supervisory Committee takes each concern seriously and works to ensure that each member is treated fairly and impartially.

Robert Moore, Chairperson
Lyly Harrington
Sandra Swinson
Audette Frazer

CEO'S REPORT

On behalf of the staff and management team here at Labor Credit Union, thank you for your commitment to and participation in our Cooperative. I appreciate your continued membership and support. I want to thank our volunteers as well, who dedicate so much of their time, energy, and enthusiasm to the credit union.

Without our volunteers who serve on the Board of Directors, the Supervisory Committee, the Asset/Liability Committee, the Policy Committee, and our Bylaw Committee, we would not be able to exist. Their dedication towards overseeing the direction of the credit union and partnering with our management team to advance our Mission is essential to our success, and I thank you all for your contributions.

Each quarter, I send out a Letter To Our Members that reflects on the accomplishments of our credit union and highlights the priorities of what we are working on to consistently add value to your participation in our cooperative. As noted above in our Officer Reports, and in the financial statements, 2023 was, financially speaking, a very successful year for the credit union. In 2023, our credit union added value by:

- Adding Business Account products and services for our small business owners and entrepreneurs within our membership to take advantage of;
- Successfully improved operating efficiency by 18% through process improvements;
- Distributed over \$1 million in dividends and fee refunds to our members (a record amount for our credit union); and
- Launched a 501C3, the Labor Community Foundation, to further impact the communities we all live in and serve to help expand access to opportunities that will empower our neighbors to improve their career prospects and achieve financial well-being.

2023 was a good year, but it is now in the past. I want to focus on what is in front of us and the future of our credit union.

CEO'S REPORT

One of the core values of our credit union is Inclusivity. We believe that everyone who wants or needs financial services should have affordable, and convenient access to them. We are on a Mission to provide this. Over the last few years, we have worked with our Regulator to expand our field of membership, opening the door for more individuals to qualify for membership with Labor Credit Union. This year, we are working towards expanding this access even further, opening the doors to serve communities around the DC region, including counties in Maryland and Virginia.

In a cooperative, the more individuals that participate and utilize the credit union, the stronger and healthier the credit union will be. This will allow us to continue expanding our products and services, it will allow us to continue reducing costs in the way of fees, and it will allow us to continue rewarding you with great rates on loans and dividends on your deposits. By expanding our field of membership and helping more of our neighbors within the communities that you all live in, we will help build stronger neighborhoods through our efforts to increase financial literacy and well-being.

This work has been underway for some time now, and in 2024 you should expect to see the benefits of these efforts. Through our focus on financial inclusion, we have already:

- Eliminated fees charged for non-sufficient funds when items are returned, unpaid;
- Added a cash-back on debit card transactions to our Reward Checking Account options;
- Incorporated tools such as Artificial Intelligence (AI) and Chat capabilities within our website to improve your online banking experience and make connecting with our staff easier and more convenient; and
- Began updating our ATM network to provide you with greater functionality and convenience for these service locations.

CEO'S REPORT

We are in the process of securing a location in Prince George's County, Maryland, for a branch that is convenient for the high concentration of our members who live in this region, and we expect this to be done in 2024.

The health and strength of our credit union have never been better than it is today. Our future has never been brighter. Together, we can achieve our Mission of being the Foundation of Financial Well-Being for all those who seek it. Continue to stay informed with our updates through our mobile banking announcements, our social media posts on Facebook, Instagram, and LinkedIn, and from our marketing team with their informational email updates. Also, be on the lookout for the Letter to Members that I send out on a quarterly basis.

Thank you for being a valued member of our credit union.

Thomas Domingue, President/CEO

FINANCIAL STATEMENTS

UNAUDITED AS OF DECEMBER 31, 2023 & 2022

STATEMENT OF

FINANCIAL CONDITION

	2023	2022
Loans	101,720,922	98,318,845
Loan Loss Allowance	(691,256)	(327,377)
NET	\$101,029,666	\$97,991,468
Cash	1,248,890	378,919
Investments	15,781,192	16,240,835
Accrued Income	287,243	253,988
Other Assets	11,846,125	11,688,888
TOTAL ASSETS	\$130,193,116	\$126,554,098
Dividends Payable		
Notes & Interest Payable		
Accounts Payable & Other		
Liabilities	4,061,363	10,380,108
TOTAL LIABILITIES	\$4,061,368	\$10,380,108
Members' Shares	113,480,611	103,917,221
Regular Reserves	281,540	281,540
Undivided Earnings	11,787,191	12,211,091
TOTAL MEMBERS EQUITY	\$126,131,748	\$116,173,990
TOTAL LIABILITIES & EQUITY	\$130,193,116	\$126,554,098

STATEMENT OF

INCOME YEAR ENDING

	2023	2022
Interest on Loans	4,551,965	3,630,612
Income from Investments	547,916	337,139
All other Operating Income	1,947,764	1,959,203
TOTAL OPERATING INCOME	\$7,047,645	\$5,926,954
Operating Expenses		
Compensation/Benefits	2,194,631	2,367,950
Office Operations	2,063,849	1,725,132
Professional & Outside Services	718,861	796,883
Operating Fee	26,696	27,800
Provision for Losses	244,691	759,787
Interest on Borrowed Money	313,466	58,415
Annual Meeting Expense	1,400	5,212
Other operating Expense		
TOTAL	\$5,563,594	\$5,750,179
Income Before Dividends	1,484,051	176,775
Non-operating Income (Expense)		
Dividends	1,045,505	412,636
NET INCOME	\$438,545	(\$235,861)

The financial statements above are abbreviated, and the sum of the figures shown may not add up to the total figures shown. The difference is caused by immaterial line items being suppressed for brevity.

VOLUNTEERS & STAFF

BOARD OF DIRECTORS

Webster Coleman - Chairperson
Briana Dolejsi - Vice Chairperson
Gordon Boyce - Treasurer
Joseph Donovan Jr. - Secretary
Alberta Baker - Director
Ann-Marie Fitch - Director
Domonick Miller - Director

SUPERVISORY COMMITTEE

Robert Moore - Chairperson
Elizabeth Harrington
Sandra Swinson
Audette Frazer

EXECUTIVE TEAM

Thomas Domingue - Chief Executive Officer
Hina Khalid - Chief Financial Officer
Amber Mooney - VP of Member Experience

MANAGEMENT TEAM

Ruth Mauhay - Human Resources Manager
Mechen Kennedy - Member Experience Manager
Freddy Logie - Director of IT

MARKETING TEAM

Dallana Estermann - Brand Ambassador

FINANCIAL WELLNESS TEAM

Maalik Ezell- Assistant Branch Manager, CCUFC
Raymond Gbondo - Financial Wellness Advisor
Trevon Banks - Financial Wellness Advisor
Moses Haight - Financial Wellness Advisor
Ali Rajput Assistant - Call Center Manager, CCUFC
Sandra Welsh - Financial Wellness Advisor, CCUFC
Amirah Sellers - Financial Wellness Advisor, CCUFC
Sierra Moore - Financial Wellness Advisor
Nathaniel Merritt - Financial Wellness Advisor

ADMINISTRATIVE TEAM

Claudia Moreno - Card Services
Administrator
Maha Rabadi - Internal Auditor &
Fraud Mitigation Specialist
Supriya Aphale - IT Data Analyst &
Support Specialist

LENDING SERVICES

Terri Harvey, Director of Lending
Andrea Villafan - Assistant Lending Manager
Sheila Crews - Assistant Loan Operations Manager
Darlicia Easton - Loan Servicing/QC Specialist
Bryan Payne - Loan Advisor, CCUFC
Jamille Monroe - Loan Advisor
Shomari Ward - Debt Recovery Specialist

ACCOUNTING

Arlene Byrd - Accounting Specialist II
Kaseimah Foreman - Accounting Specialist II

VISIT US TODAY!

FPB MAIN BRANCH

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BLS BRANCH

Bureau of Labor Statistics
2 Massachusetts Ave, NE
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Washington, DC 20212
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Fax: (202) 408-8253
Hours: T & TH 9:00 am - 3:00 pm

UDC BRANCH

Student Center - Bldg #38, 1st Floor
4200 Connecticut Avenue, NW
Washington, DC 20008
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Hours: Rotating T & WED
12:00 pm - 4:00 pm

MAILING ADDRESS

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Merrifield, VA 22116

VIRTUAL BRANCH

www.laborcu.org/virtual-branch



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www.laborcu.org
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National Credit Union Administration