

## BOARD CHAIRMAN REPORT

Good evening and welcome to the 98th annual meeting of the Post Office Employees' Credit Union!

It has been my honor and privilege to serve as YOUR Chairman this past year.

In 2022, we returned to normal operations, whatever the "new normal" might be.

I am proud to say we were successful in achieving most of the goals the Board and Management team established at our annual planning session.

During 2022, we added 208 new members. We granted 655 loans totaling \$8,527,002 and grew our loan portfolio by 5.4%. Both our loan delinquencies and net charged-off loan numbers remained low and were well below our peers, and we continued to maintain our strong regulatory rating.

Unfortunately, we had a slight hiccup with fraud through CHASE Bank. This impacted us by \$355,855 after our insurance paid its share. This resulted in us showing a net loss of \$60,843 for the year ending December 31, 2022. Because of the diligence and hard work of Senior Management and YOUR Board of Directors, we were able to recover our funds in 2023.

As we reported last year, we permanently closed the Paris location in early December 2021 and relocated the staff. This helped to ensure sufficient resources were at our busiest locations. This also helped to reduce our operating expenses. It took some time to clean the building—ensuring all the records were reviewed. We destroyed obsolete records and incorporated valid records into our record retention system. I'm happy to report the Paris location is currently under contract, and once the sale is complete, it will generate a nice profit for the credit union.

Some of the other bigger projects completed in 2022 were:

- Replaced the firewalls (security) for each of the branches
- Changed our credit card processor from FIS to Fiserv. This enabled members to receive their credit card statements electronically and see their credit card balance in a virtual branch. We also changed the reward program associated with our credit cards from Scorecard to UChoose—which gives you more redemption options
- We upgraded our debit cards to an 8-digit BIN, which added security and reduced expenses
- We upgraded our phone system from analog to voice over Internet Protocol (VoIP). This is more current technology and allows for call forwarding when an unexpected branch closure occurs—such as a hurricane
- Other projects we began in 2022 and are scheduled for implementation later in 2023 include improved/faster internet AND e-Statements

Our Board of Directors, Management Team, and Staff work diligently to ensure we provide you, our members, with the best products and service. Without you, we would not be here! Thank you for your continued support and membership!

**SIDNEY A. PARFAIT, CPA**  
Board Chairman

## SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is appointed by the Board of Directors and ensures that a comprehensive audit program for the credit union is established and implemented in accordance with all credit union rules and regulations. The committee is also responsible for ensuring that management adheres to policies established by the Board of Directors and maintains a strong internal control system. The committee members attend the monthly board meetings.

During 2022, the Louisiana Office of Financial Institutions did not perform a regulatory examination of our credit union. The examination cycle can be anywhere from 12-24 months, depending on the most recent examination rating.

In 2022, under the direction of the Supervisory Committee, the following audits and member account verifications were performed:

1. Bank Secrecy Act, performed by Robert Brown, CPA; effective date of 12/31/2022.
2. ACH Audit, performed by Robert Brown, CPA, effective date of 10/31/2022.
3. Member Account Verification, performed by Griffin and Furman, CPAs; effective date of 6/30/2022.
4. Agreed Upon Procedures Audit, performed by Griffin and Furman, CPAs; effective date of 12/31/2022.

During 2022, Joe Battaglia performed monthly internal control reviews, including cash counts, verification of closed accounts, operating expenditures, activity on insider accounts, new loans (adherence to policy, pricing, and documentation), and activity on insider (employee and officials) accounts.

We wish to recognize the management team and staff for their assistance in assuring all the audits went smoothly and any findings were addressed in a timely manner.

Thank you for giving us an opportunity to serve you.

**CHARLIE CANDILORA** | Chairman, Supervisory Committee  
**TONY RUDA** | Supervisory Committee Member  
**GAIL SNAKENBERG** | Supervisory Committee Member

### BOARD OF DIRECTORS

Sidney Parfait, Chairman  
Joseph LoPinto, Vice Chairman  
Dennis Brouphy, Treasurer  
Kristy Adams, Secretary  
Charles Holdeman  
Terry Kennard  
Sharyn Taquino  
Joe Battaglia, Associate Director

### SUPERVISORY COMMITTEE

Charlie Candilora, Chairman  
Tony Ruda  
Gail Snakenberg

### MANAGEMENT

Michelle Duhe, CEO  
Kellie Mele, VP of Operations  
Weixuan Sun, VP of Accounting



## 99TH ANNUAL MEETING 5/10/2023

### 2022 ANNUAL REPORT

#### Meeting Agenda

- Call to Order/Prayer/Pledge of Allegiance
- Determination of a Quorum
- Reading and Approval (or correction) of the Minutes of the last Annual Meeting
- Report of the Chairperson on behalf of the Board of Directors
- Report of the Financial Officer
- Report of the Supervisory Committee
- Unfinished Business
- New Business
- Nominations/Elections
- Open Discussion/Prizes
- Adjournment

**LIVE**  
**YOUR DREAMS**



**2022 INCOME STATEMENT****INCOME**

Loan Income	\$1,293,140
Investment Income	\$286,818
Fees & Charges	\$513,138
Other Operating Income	\$120,343
Non-Operating Income	\$106,452
<b>TOTAL GROSS INCOME</b>	<b>\$2,319,891</b>

**EXPENSES**

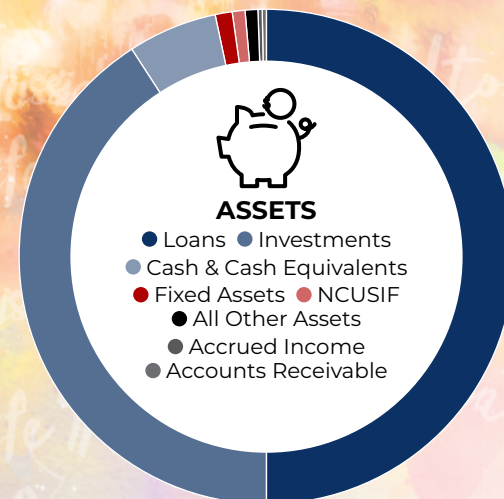
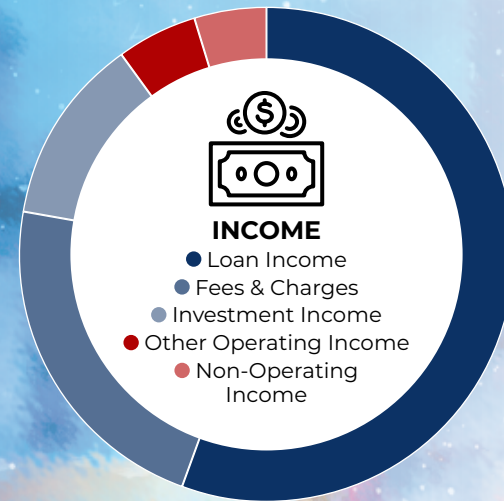
Operating Expenses	\$1,960,375
Provision for Loan Loss	\$5,000
Dividend Expenses	\$59,469
Non-Operating Expenses	\$355,890
<b>TOTAL EXPENSES</b>	<b>\$2,380,734</b>
<b>NET INCOME</b>	<b>-\$60,843</b>

**2021 BALANCE SHEET****ASSETS**

Loans	\$26,440,164
Allowance for Loan Loss	-\$196,055
Accounts Receivable	\$98,496
Cash & Cash Equivalents	\$3,010,501
Investments	\$21,607,122
Fixed Assets	\$635,486
Accrued Income	\$135,957
NCUSIF	\$469,987
All Other Assets	\$380,962
<b>TOTAL ASSETS</b>	<b>\$52,582,620</b>

**LIABILITIES & EQUITY**

Payables	\$306,574
Other Liabilities	\$119,149
Shares	\$47,216,922
<b>TOTAL LIABILITIES</b>	<b>\$47,642,645</b>
Regular Reserves	\$2,391,808
Unrealized G/L on Investments	-\$295,019
Undivided Earnings	\$2,843,186
<b>TOTAL EQUITY</b>	<b>\$4,939,975</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$52,582,620</b>

**98TH ANNUAL MEETING MINUTES****WEDNESDAY, MAY 11, 2022****I - Meeting Called to Order/Prayer/Pledge of Allegiance**

- S. Parfait called the meeting to order at 6:09 p.m.
- C. Hicks led the Opening Prayer.
- C. Holdeman led the Pledge of Allegiance.

**II - Determination of Quorum**

A quorum was determined with 71 members in attendance.

**III - Reading of 2021 Minutes**

K. Adams asked for a motion to approve the minutes from the 2021 Annual Meeting. M. Shillington made the motion, and T. Ruda seconded. The minutes were approved and accepted by all.

**IV - Report of the Board Chairman on behalf of the Board of Directors** – presented by S. Parfait

**V - Report of the Financial Officer** – presented by Treasurer K. Adams

**VI - Report of Supervisory Committee** – presented by C. Candilora

**VII - Unfinished Business** – There was no unfinished business from the previous year.

**VIII - New Business** – There was no new business presented.

**IX - Nominations/Election of Board Members** – The Nominating Committee was comprised of J. Lopinto, M. Schell, and D. Brouphy. There were two open positions, and the committee selected two nominees. The nominees were T. Kennard and D. Brouphy. There were no nominations by petition. The nominees won by acclamation.

**X - Open Discussion**

**XI - Prizes** – The following prizes were distributed by a random draw:

Michael Shillington	Barbara Parfait
Lorraine Snakenberg	Lois Tazier
Lovella Pollar	Anthony Ruda
Charlie Candilora	Michael Marasco
Kellie Mele	Parker Wegman
Marie Walgamotte	Herbert Bellock
Joyce Tillie (online)	Phil White
Caitlyn Tani	Linda Hargrove
Angelle Bellock	Daisy Mae Bridges

**XII - Closing Prayer**

D. Jones led the closing prayer.

**XIII - Adjournment** – A motion was made by T. Kennard and seconded by J. Lopinto to adjourn the meeting at 7:05 PM. The motion carried.

**BOARD OF DIRECTORS NOMINATIONS****SIDNEY A. PARFAIT, CPA (INCUMBENT)**

Sidney graduated from Loyola University with a degree in Accounting. He is a US Army Veteran, having served during the Vietnam era. He has been a licensed CPA for 37 years. Sidney has a long history with POECU—serving as the Board Treasurer for 37 years before assuming the Chairman position for the past 2 years. He was employed by POECU as the manager for 6 years, followed by 23 years as the President/CEO until his retirement in June 2019. Sidney was instrumental in growing POECU from a simple credit union to the full-service financial institution it is today. In 2019, he was inducted into the Louisiana Credit Union Hall of Fame.

Sidney also served on the Louisiana Credit Union League (LCUL) Board for 27 years—5 of those years as Board Chairman and 6 years as 1st Vice Chair. Within the League Board, Sidney was Chairman of the Legislative Action Council for 27 years (14 years on the Executive Committee)—winning the 1st place national award 20 times. He was a member of the LCUL Governmental Affairs Committee for 6 years. He has been a member of the National Council of Postal Credit Unions since 1996, serving as Chairman for 6 years. He has been a speaker at numerous national conferences on various credit union subjects. Sidney is in his 53rd year as a member of the American Legion, he has served in both Post and District Leadership offices, and is Chairman of several State Commissions, including Finance, Ways and Means, and Baseball.

**JOSEPH C. BATTAGLIA**

Joe feels his education and experience equip him to be a productive member of the POECU Board. After graduating from high school, Joe joined the United States Army, serving in the 82nd Airborne Division as a Paratrooper at Fort Bragg, NC, from 1973-1975. After serving in the military, Joe returned home and enrolled at the University of New Orleans, graduating in 1979 with a degree in Accounting. He worked in the private sector before beginning his 40+ years banking career in 1982. In 1989, he accepted his first credit union position as VP of Finance with Louisiana Federal Credit Union (formerly Norco Refinery Employees FCU). In 1990, he accepted the CEO position at US Customs FCU (later rebranding as Homeland FCU), remaining in this position until they merged with POECU in 2016. Following the merger, Joe assumed the role of Executive Vice President and remained in this position until his retirement in January 2019.

After Joe's retirement in 2019, he joined POECU's Supervisory Committee. Joe has been an associate director since 2020, providing valuable input to the Board of Directors. In 2020-2021, Joe returned to POECU (part-time) as the VP of Lending, and in 2022, Joe served as POECU's internal auditor. Joe believes he would bring a wealth of experience and personal knowledge of POECU's operations to the Board of Directors. Joe was inducted into the Louisiana Credit Union Hall of Fame in 2019.

**MICHAEL E. SHILLINGTON**

Mike graduated from the University of New Orleans in 1975. He is married with two sons and 3 grandchildren. He retired from the USPS after 37 years of service. He previously served on the Board of Directors for 27 years, most recently as Vice Chair. He took a temporary hiatus to address personal and family issues and is ready to resume servicing the credit union members as a director. Mike recalls some of POECU's major milestones while serving on the Board—relocating the credit union operations from a rented office downtown after building the present West Napoleon office, implementing share draft services, credit card services, and mortgage lending. He was instrumental in growing POECU into a full-service financial institution. Mike understands the vital role POECU plays in our members' financial lives.