



2022

ANNUAL REPORT

Federally Insured by NCUA

CEO/President's Letter

As we continue to navigate a quickly changing and challenging world together, one constant that hasn't changed is our focus on YOU, our members. We've held steadfast to our mission of improving members' financial well-being through a select offering of quality products and remarkable service. Members have recognized our commitment and our competitive rates as beacons in the storms of both the pandemic and economic turmoil we are experiencing.

While I've been a leader in the Credit Union for 14 years, I had the privilege of taking over the helm as CEO/President in August 2022. I'm thankful for this 87-year-old Credit Union and the legacy of remarkable service, financial strength and sense of family that my predecessors nurtured and grew within our culture. I'm committed to ensuring the Credit Union remains a relevant, valued and widely used benefit in the years to come.

Overall, 2022 saw positive outcomes for our members and the Credit Union despite continued COVID-19 impacts, high inflation and a looming recessionary environment. I'm proud of our staff and the role they played in the success of our operations and the support members received. Employees are one of our greatest assets, and they reflect the Credit Union ideal of "people helping people."

We continued our focus of providing the best member experience possible. In May, we launched Live Chat services to expand members' ease of access and opportunities to interact with us in ways convenient to them. We made enhancements throughout the remainder of the year adding the ability for our specialists to initiate screen sharing/co-browsing sessions while still on the phone call with the member.

Helping members save money through competitive rates and lending products was yet another highlight for the Credit Union benefit. We saw record-breaking volume, processing more than 22,000 loan applications, booking over 14,200 loans and growing the loan portfolio in excess of \$1 billion.

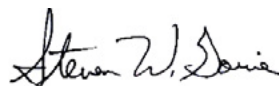
Our member focus is complemented with sound operating policies, conservative investment strategies and appropriate reserves. Our commitment to providing members with a secure, compliant and financially strong credit union was recognized by our federal regulator, the National Credit Union Administration (NCUA). In an independent examination, NCUA provided State Farm Federal Credit Union (SFFCU) with the highest marks possible and was complimentary of our ability to operate successfully during challenging economic times.

Amid our ever-changing environment, we delivered strong results:

- The Credit Union ended 2022 with \$5.3 billion in assets and a strong capital ratio of 12.61 percent.
- Members received nearly \$576 million in loans and lines of credit, resulting in a total loan portfolio in excess of \$1 billion.
- More than \$57.2 million in dividends were paid to members.

As I begin the first full year in my new role, I'm excited and optimistic about what the future holds. Just as we've operated since 1936, each and every employee at SFFCU is dedicated to providing the most remarkable service and helping our members achieve their financial goals. We look forward to continuing to grow with you, and thank you for your membership, loyalty and trust.

Respectfully submitted,



Steven W. Gorrie
CEO/President

Statement of Financial Condition

December 31, 2022 (unaudited)

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Assets

Cash and cash equivalents	\$7,429
Investments – held-to-maturity	\$217,078
Investments – available-for-sale	\$3,934,658
Loans	\$1,001,012
Less: allowance for loan losses	\$(812)
Other assets	\$102,122
Total assets	\$5,261,490

Liabilities

Accounts payable	\$122
Other liabilities	\$31
Total liabilities	\$153

Shares/Deposits

Shares (regular)	\$4,537,890
All other shares and deposits	\$210,973
Total shares and deposits	\$4,748,863

Equity

Regular reserve	\$44,735
Other retained earnings	\$618,954
Acc. unrealized G & L on securities	\$(151,216)
Total equity	\$512,473
Total liabilities, shares and equity	\$5,261,490

Statement of Changes in Members' Equity

Balance – December 31, 2021	\$643,567
Comprehensive income:	
Net income	\$11,493
Other comprehensive gain:	
Change in unrealized gain/loss on securities available for sale	\$(142,587)
Total comprehensive income	\$(131,094)
Balance – December 31, 2022	\$512,473

Statement of Income

For the Period Ending December 31, 2022 (unaudited)

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Interest Income

Interest on loans	\$29,892
Income on investments	\$42,463
Total interest income	\$72,356

Interest Expense

Dividend expense – regular shares	\$54,615
Dividend expense – other shares/deposits	\$2,571
Total interest expense	\$57,187

Provision for loan losses	\$(524)
Net interest income after provision for losses	\$15,693

Non-interest Income

SF Mutual Contributed Service Income	\$12,794
Other non-interest income	\$1,468
Total non-interest income	\$14,262

Non-interest Expense

Salaries and benefits – SF Mutual Contributed Service	\$10,946
Occupancy – SF Mutual Contributed Service	\$1,754
Travel and conference expense	\$93
Association dues	\$165
Contributions	\$24
Office operations	\$704
Office operations – SF Mutual Contributed Service	\$93
HR budget costs	\$598
Information Systems & Technology	\$2,792
Marketing and Development	\$3
Loan servicing	\$610
Professional and outside services	\$141
Federal operating fee	\$509
Misc. operating expense	\$23
Total non-interest expenses	\$18,462

CCU Stabilization	-
Net income	\$11,493

Supervisory Committee Report

The Supervisory Committee is responsible for ensuring that the Board of Directors and management of the State Farm Federal Credit Union (SFFCU) meet required financial reporting objectives, establish practices and procedures sufficient to safeguard members' assets, and operate in compliance with governing laws and regulations.

In order to meet these responsibilities, the Committee engaged CliftonLarsonAllen LLP, an independent public accounting firm, to perform a financial audit and verification of member accounts in 2022. The final report is expected later this year and will be available upon request by contacting the Credit Union.

The Supervisory Committee also oversees internal audits to ensure SFFCU operations are in compliance with SFFCU's policies and procedures and that internal controls are in place to protect member assets.

In addition, examiners from regulatory agencies such as the National Credit Union Administration (NCUA) conduct separate reviews to evaluate the performance and risk profile of the Credit Union.

We would like to express our appreciation to the Board, management and staff of the Credit Union for their continued support.

The Supervisory Committee works in the best interest of you. We are proud to volunteer our time and services to the members of the Credit Union. If we can be of any assistance, please contact the Committee.

Kelly Dunn

Chair – Supervisory Committee

Board of Directors

Holly Roberts

Chairperson..... Cincinnati, OH

Neil Jackson

Vice Chairperson Bloomington, IL

Teresa Herrera

Secretary..... Richardson, TX

Rashawnda Harvey

Treasurer Richardson, TX

Charlie Cardiff.....Dunwoody, GA

Jeffrey Attwood Richardson, TX

Steve Gorrie Bloomington, IL

Tamara Jacquot..... Bloomington, IL

Supervisory Committee

Kelly Dunn Chairperson

Patty Kimberlin

Shannon Moreland

Vance Sawyer

Hilary Wahlheim