

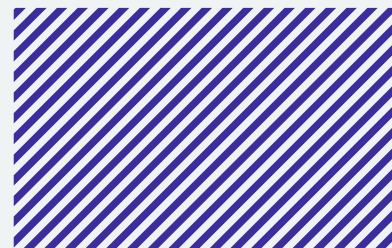
2021 ANNUAL REPORT



Sharefax
CREDIT UNION

MISSION STATEMENT

Sharefax Credit Union is a cooperative formed for the sole purpose of improving the financial well being of our members.



Chairperson's Report

DENNIS MESSER

This indeed has been a trying time. Through it all, Sharefax has managed to grow and remain financially sound. Sharefax has persevered through the pandemic, thanks to the loyalty of our members and our dedicated management team and employees.

Zoom has been a great resource for connecting with the Board and communicating with our staff. It has also worked well for individuals, families, and businesses to stay in touch. For access to members' savings, checking and investment accounts, Sharefax continues to provide electronic products including online banking, mobile banking, and more.

Amazingly, within the past year, Sharefax has completed the building of a new corporate office at Ivy Gateway and what a beautiful building it is. I believe that credit should be given to the CEO, staff, and the Board for the impressive accomplishments achieved during this past year.

The entire credit union team is optimistically looking forward to a prosperous and exciting future.

Dennis Messer

Credit Committee Report C. DAVID TAYLOR

The primary function of the Credit Committee is the supervision of loans to the members in an effort to ensure the safety and soundness of Sharefax Credit Union's loan portfolio.

Keeping with the credit union's philosophy of providing affordable loan opportunities to its members, Sharefax approved 4,013 loans during 2020 for a total amount of \$111,246,436.44. Loans outstanding increased by 5.0% for total outstanding of \$283,391,646.95. Loans versus savings increased to a ratio of 73.0% at year end. Our delinquency ratio was 0.22% on December 31st.

We extend our sincere appreciation to our members for their continued support of our products and services .

Respectfully,

C. David Taylor

BOARD OF DIRECTORS



Denny Messer
Chairperson



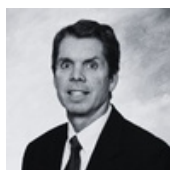
Susan Ochs
Treasurer



Dan Murphy
Secretary



Dave Aaronson



Mark Fox



Janet Lake



Monica Palkovic



C. David Taylor

Message from the President

ARTHUR KREMER



Over the past 20 months, most of the world's population has been drastically impacted by Covid-19. This pandemic has now taken not only over 700,000 American lives but many more around the planet. The coronavirus has also changed operations for many businesses including the financial service industry. Supply chains have been severely disrupted and delays in shipping have slowed everything from office supplies to construction materials. The country has now come to realize that COVID 19 and its variants are extremely difficult to eradicate and may continue to impact business for some time to come if immune levels do not improve.

After experiencing shutdowns in commerce and mandates to wear masks, the general population is weary and has little appetite for reimplementing restrictions on businesses even while facing new fast spreading variants. The federal government and some large companies are now taking it upon themselves to require employees to be vaccinated or risk the loss of their jobs. These new requirements have resulted in controversy and generated legal action in an attempt to overturn these strict penalties. Even if vaccine mandates are successful in reducing the spread of the virus, businesses are in a tough spot. Do they choose precautionary measures for the safety of their staff and customers or risk losing a percentage of their workforce? It is a no-win situation.

Actions to avoid a severe recession and jump start the economy have for the most part been successful although quite expensive. Stimulus checks, PPP loans, extra unemployment, and business subsidies have supercharged the economy. It appears that the GDP will grow approximately 6% this year. In addition, unemployment is down from its high of 14.7% in April 2020 to approximately 5.0%. The recovery has been so strong that most businesses are currently looking to fill positions but finding it difficult to find enough workers. Most of this shortage is the result of the lack of people actively engaged in the job market.

Although the pandemic has exaggerated the employment trend with many people electing not to return to work for a variety of reasons including health concerns, retirement, and childcare issues, the number of people looking for work has actually been trending downward for the past 20 years. This has made it even more costly and difficult to fill the job openings in many industries. To retain and attract staff, many employers have been forced to increase pay. This has been a great benefit to employees with their average paycheck increasing significantly. However, employers must manage higher payroll costs. This trend does not bode well for the future. Unless more people enter the workforce or automation improves, business costs will continue to rise.

The passage of an infrastructure bill would give further momentum to the financial markets and help to keep the economy rolling. Although the bill is an investment in the future and very much needed, the large price tag will put further pressure on Congress to pass tax reforms to pay for these projects. Whether credit unions are included in these proposed reforms is not currently clear.

With the higher costs of labor, rising home prices, increasing prices on food and gas, inflation, which is currently at 5.5%, is becoming a larger concern. Federal Reserve has downplayed inflation officially stating that it is a temporary situation caused by government's huge injection of cash into the economy. Whether temporary or not is yet to be determined. However, many economists are predicting that interest rates will rise sooner than previously forecasted and perhaps as soon as early 2022.

The past year however has not been all dread and gloom. In fact, 2021 has been quite eventful. During this period, the credit union constructed a new corporate office and branch. This milestone marked the first time in over 40 years that the credit union relocated its headquarters. The grand opening celebration highlighted our Ford Motor Company roots and over 60 years of history in the community. The credit union hopes to take advantage of our momentum to expand awareness of the benefits of credit union membership and our brand in the community.

The credit union also continued to experience financial success even while battling to keep operations functioning during a pandemic. As a result, total loans outstanding increased by approximately 9% for the year and total savings have increased by over 5%. All this while maintaining delinquency rates at historic lows. If the economy can avoid a government shutdown due to exceeding the debt ceiling, Sharefax expects to build upon these numbers through the remainder of the year.

A large reason for our success during the pandemic is the loyalty of our members. Although strict measures were needed to protect the health and safety of our guests and employees, members adapted to this new environment without a single complaint. This allowed Sharefax to continue our mission of improving the financial lives of our members even in the midst of a pandemic. Our goal after COVID is to take what we learned during the pandemic and enhance our delivery channels to make Sharefax more competitive and an even better financial resource for our members. The Board would like to recognize our members' contributions to our success and express our appreciation for their understanding and support over the past 61 years.

Art Kremer

Statements of Income

	2020	2019
Interest Income		
Interest and fees on loans to members	\$ 12,000,281	\$ 11,978,590
Interest on investments and cash equivalents	1,118,266	2,225,913
Total Interest Income	13,118,547	14,204,503
Interest Expense		
Members' share and savings accounts	3,753,575	4,850,586
Interest on borrowed funds	3	-
Total Interest Expense	3,753,578	4,850,586
Net Interest Income	9,364,969	9,353,917
Provision for Loan Losses	300,729	802,686
Net Interest Income after Provision for Loan Losses	9,064,240	8,551,231
Non-Interest Income		
Interchange income	1,338,138	1,328,642
ATM and ACH fee income	310,163	427,931
Share draft fee income	1,195,453	1,535,334
Insurance commissions	119,856	128,384
Gain (loss) on equity securities available-for-sale	86,804	155,956
Gain (loss) on other investments	393,920	468,284
Other	192,680	219,545
Total Non-Interest Income	3,637,014	4,264,076
Non-Interest Expense		
Compensation and benefits	4,899,367	4,867,952
Occupancy	419,955	413,585
ATM network	556,961	501,626
Indirect lending	1,421,897	1,688,442
Data processing	290,793	290,499
Marketing and promotions	247,070	299,362
Credit card program	206,868	213,711
(Gain) loss on foreclosed assets	2,400	39,749
(Gain) loss on disposal of premises and equipment	-	773
Other	2,150,494	2,060,272
Total Non-Interest Expense	10,195,805	10,375,971
Net Income	\$ 2,505,449	\$ 2,439,336

Statements of Comprehensive Income

	2020	2019
Net Income	\$ 2,505,449	\$ 2,439,336
Net change in fair value of defined benefit plan	(616,493)	50,719
Total Comprehensive Income	\$ 1,888,956	\$ 2,490,055

Statements of Financial Condition

	2020	2019
ASSETS		
Cash and Cash Equivalents	\$ 40,364,386	\$ 51,427,040
Deposits at a Corporate Credit Union	1,515,078	1,500,000
Time Deposits	22,632,000	14,024,000
Securities Held-to-Maturity	35,020,471	25,505,420
Equity Securities Available-for-Sale	615,847	529,043
Other Investments	25,094,721	17,501,737
Federal Home Loan Bank Stock	635,600	611,600
Loans to Members, Net of Allowance for Loan Losses	282,263,163	268,336,725
Loans in Process of Foreclosure	61,376	254,796
Loans in Process of Liquidation	295,144	312,779
Accrued Interest Receivable	742,700	859,161
Foreclosed Assets	80,694	86,913
Premises and Equipment	10,870,853	5,575,671
NCUSIF Deposit	3,543,887	3,277,923
Defined Benefit Plan	6,851,012	7,233,760
Other Assets	304,849	190,175
Total Assets	\$ 430,891,781	\$ 397,226,743
LIABILITIES AND MEMBERS' EQUITY		
Liabilities		
Members' share and savings accounts	\$ 388,407,031	\$ 356,767,445
Line of credit	-	-
Accrued expenses and other liabilities	1,449,352	1,747,320
Postretirement liability	175,766	158,835
Total Liabilities	390,032,149	358,673,600
Commitments and Contingent Liabilities	-	-
Members' Equity, Substantially Restricted		
Regular reserves	9,725,482	9,699,748
Undivided earnings	34,306,330	31,409,082
Accumulated other comprehensive income (loss)	(3,172,180)	(2,555,687)
Total Members' Equity	40,859,632	38,553,143
Total Liabilities and Members' Equity	\$ 430,891,781	\$ 397,226,743

