

WHITING REFINERY FEDERAL CREDIT UNION

2020 ANNUAL REPORT

BOARD OF DIRECTORS

Towner, Carl	- President
Kirchhoff, David	- 1 st Vice-President
Stewart, Jared	- 2 nd Vice-President
Brezene, Janet	- Secretary
Stachura, Cathryn	- Secretary
Markovich, Robert	- Treasurer
Mateja, Sue	- Director
Abercrombie, Mike	- Director
Feeney, Patrick	- Director
Puente, Anthony	- Director

SUPERVISORY COMMITTEE

Brezene, Janet	- Chairperson
Manson, Andrea	
Rogers, Paula	
Yan, Minnie	

MEMBERSHIP OFFICER

Boyle, Julie

LOAN OFFICERS

Nolasco, Lori
Suttlar, Lisa
Rangel, Carmen

OFFICE STAFF

Boyle, Julie	- Manager
Nolasco, Lori	- Asst. Manager
Rangel, Carmen	- Clerk/Teller
Suttlar, Lisa	- Asst. Loan Officer

REPORT OF THE BOARD OF DIRECTORS

MARCH 2021

To the Membership:

The year 2020 was indeed a challenging year for the Whiting Refinery Federal Credit Union (WRFCU). The pandemic forced a quick change in operations in early March to protect the health of our members, our employees, and the community. We postponed the annual meeting and held it virtually in October. We closed the lobby and went to in-person service by appointment only. We split our employees into teams so they could better socially distance, increased cleaning, and installed plexiglass to reduce the potential to transmit the virus. The WRFCU employee team responded heroically to the challenges of the pandemic and allowed us to continue to operate.

During this time our membership relied more heavily on alternate means of transacting business with the credit union. Our offerings included online and mobile banking, remote check deposit, online bill pay, a friendly member of the staff available on the phone or by appointment, and even the drive-up and ATMs at other credit unions that are available to us via shared branching.

While we were adjusting to this altered way of life the federal and state governments were making many changes to minimize the impact of the virus on the economy. There was a sharp decline in interest rates and many members took advantage of the historically low rates to purchase a home or refinance an existing home. Low interest rates are great for our membership, but negatively impacted the WRFCU income since a large portion of it comes from 1 to 3 year CDs purchased from other financial institutions.

The WRFCU remains a financially strong institution with a very healthy asset base of \$52.3 million. We are proud of our ability to continue to pay dividends, offer extremely competitive loan rates, have the best savings rates of any credit union in the area, and had no staff furloughs. The board, supervisory committee, and staff are always looking for ways to grow our offerings, serve you better, and increase the returns on your investments. There were many changes in 2020 and there will certainly be more in 2021, but we remain committed to serving you. Thank you for your continued use and support of OUR credit union.

The following items were acted upon by your Board during 2020:

- | | |
|-----------|---|
| CONDUCTED | Twelve regular and one special board meeting. |
| REVIEWED | Monthly and special operations reports from the Treasurer and Office Manager. |
| RATIFIED | The membership applications of 70 new members. |
| CONTINUED | First mortgage policies for owner-occupied dwellings (fixed and adjustable rate). |
| APPOINTED | A three-member Supervisory Committee to perform audits required by the Federal Credit Union Act and NCUA Regulations. |
| HEARD | Reports of the Supervisory Committee, Federal Examiner, and Independent Examiner, all of whom gave high approval of the operation of the credit union. |
| CONTINUED | A ladder-type investment policy for our surplus funds in line with current interest rates and the economic environment. |
| CONTINUED | Offering 1 to 5 year CDs with better than average yields. |
| DECLARED | Dividends at the rate of 1.40APR/1.41%APY for the first quarter of 2020, 1.40%APR/1.41%APY for the second quarter of 2020, 1.00%APR/1.00%APY for the third quarter of 2020 and 1.00%APR/1.00% APY for the fourth quarter of 2020. |

APPROVED 2 loans totaling \$11,809 to be charged-off and turned over for collection.

IMPLEMENTED Automated our ACH Files, E-Statements, a New Holiday Loan offer, Draft Dividend, and a sign-up session during the Refinery's Benefits Fair.

CONTINUOUSLY Reviewed and implemented policies, plans and strategies to guarantee the sustained financial strength of the credit union.

Your Board of Directors thanks you for the opportunity and privilege of serving you in 2020. We continue to be one of the leaders in Indiana and the nation regarding our lending practices, continued growth, exceptionally low loan default rate of 0.08%, and competitive investment and loan rates. We look forward to continuing the oversight of your Credit Union and remain committed to act in a fiscally responsible manner with the safety of your assets as our first priority!

On behalf of the Board of Directors, I express our appreciation to the membership for your continued support, to the committees for their time and dedication, and to the staff for being resilient, helpful, and friendly.

Thank You,

A handwritten signature in blue ink, appearing to read 'Carl Towner', written over a horizontal line.

Carl Towner, President

WHITING REFINERY FEDERAL CREDIT UNION**1339 – 119TH Street
Whiting, Indiana 46394****REPORT OF THE TREASURER 2020**

Assets	\$52,323,553	Up	5,839,046	12.56%
Total Shares	28,157,908	Up	4,101,259	17.05%
Total Share Certificates	9,869,439	Up	1,350,475	15.85%
Total Share Drafts	851,507	Up	209,512	32.63%
Total Christmas Club	3,292	Down	54	1.61%
Total Loans	6,347,141	Down	558,084	8.08%
Total Mortgages	8,683,306	Up	150,234	1.76%
Gross Income	1,165,840	Down	57,713	4.72%
Expenses	531,215	Up	256	0.05%
Income Before Dividends	634,625	Down	57,969	8.37%
Dividends	478,239	Down	7,252	1.49%
Net Income After Dividends	215,204	Down	49,100	18.58%
Number of Accounts	2,189	Down	72	3.18%

DIVIDENDS were paid at the rate of 1.40%APR/1.41%APY for the first quarter, 1.40% APR/1.41% APY for the second quarter, 1.00% APR/1.00% APY for the third quarter and 1.00% APR/1.00% APY for the fourth quarter of 2020.

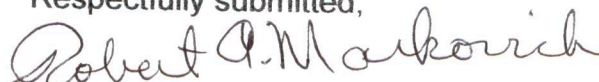
As of December 31, 2020, the Whiting Refinery Federal Credit Union was holding the following investments:

Federal Agency Securities	\$6,000,000
Alloya Corporate FCU	\$24,089,333
Mutual Funds	\$3,323,867
Total Benefits Prefunding Inv.	\$1,974,638

As of December 31, 2020, delinquent loans amounted to 0.00% of total loans and mortgages outstanding vs. .73% for our peers. Below are comparative figures of amounts charged-off and turned over for collection during the past three years:

	2020	2019	2018
Total # Loans Charged-Off	2	1	2
Total \$ Loans Charged-Off	\$11,809	\$3,629	\$9,461
Total \$ Loans Outstanding	\$15,030,447	\$15,438,297	\$13,083,526
% Charged Off/Loans	0.08%	0.02%	0.07%

Respectfully submitted,



Robert A Markovich
Treasurer

ANNUAL REPORT OF THE LOAN OFFICERS

16 Mortgages were granted in the amount of \$3,439,000.00.

136 Consumer Loans were granted in the amount of
\$2,256,116.16

Total Loans Granted **\$5,695,116.16**

Respectfully Submitted,
Lori Nolasco
Lisa Suttlar
Carmen Rangel

LOAN OFFICERS

COMPARATIVE STATEMENT OF INCOME AND EXPENSES

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>OPERATING INCOME</u>			
Interest on Loans	\$ 568,749.48	\$ 549,840.64	\$ 457,736.43
Less: Interest Refund	-	-	-
Income from Federal Agency Securities	15,698.88	52,586.42	95,048.88
Income from Alloya Corporate FCU	430,687.75	450,653.87	338,335.40
Income from Mutual Funds	78,093.14	94,238.59	128,778.27
Income from Total Benefit Prefunding	55,130.21	54,064.21	52,975.07
Fees and Charges	7,107.96	8,182.78	7,323.63
ATM Surcharge Fees	788.00	1,352.00	1,458.00
Miscellaneous Operating Income	9,584.76	12,634.13	35,353.47
 TOTAL OPERATING INCOME	 \$ 1,165,840.18	 \$ 1,223,552.64	 \$ 1,117,009.15
 <u>OPERATING EXPENSE</u>			
Compensation	\$ 177,443.71	\$ 185,687.78	\$ 173,485.45
Employee Benefits	76,438.93	78,291.32	75,610.15
Travel and Conference Expenses	1,763.11	8,502.32	8,892.29
Association Dues	11,659.83	1,332.33	11,221.10
Office Occupancy Expenses	75,222.39	86,520.00	21,754.53
Office Operating Expenses	120,000.15	104,682.56	147,496.23
ATM Expenses	1,215.00	1,485.00	1,260.00
Educational & Promotional Expenses	14,424.12	13,191.68	12,994.66
Loan Servicing Expenses	43,456.28	28,768.74	29,954.52
Professional and Outside Services	10,538.08	7,064.75	6,558.00
Provisions for Loan Losses	(26,286.00)	(15,454.00)	(3,390.00)
NCUSIF Write Down Expense	-	-	-
Federal Supervision & Examination Expenses	16,368.97	15,306.18	11,882.23
Cash Over and Short	-	5.85	49.95
Interest on Borrowed Money	-	-	719.04
Annual Meeting Expenses	1,872.50	3,201.55	3,201.55
Miscellaneous Operating Expense	7,097.69	12,373.27	14,350.40
Non-Operating Gain/Loss on Investments	(58,818.02)	(57,202.59)	165,456.00
 TOTAL OPERATING EXPENSE	 \$ 472,396.74	 \$ 530,959.33	 \$ 516,040.10
 INCOME (Loss) BEFORE DIVIDENDS	 \$ 693,443.44	 \$ 692,593.31	 \$ 600,969.05
Dividends	(288,207.06)	(330,641.06)	(247,864.31)
Share Certificate Dividends	(182,678.61)	(154,850.20)	(122,714.37)
Draft Dividend	\$ (7,353.37)	\$ -	\$ -
 NET INCOME (Loss)	 <u>\$ 215,204.40</u>	 <u>\$ 264,304.64</u>	 <u>\$ 64,934.37</u>

**WHITING REFINERY FEDERAL CREDIT UNION
COMPARATIVE STATEMENT OF CONDITION**

<u>ASSETS</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Outstanding Loans & Mortgages to Members	\$ 15,030,446.83	\$ 15,438,297.36	\$ 13,083,526.47
Less: Allowance for Loan Losses	(30,761.34)	(52,110.63)	(50,530.52)
Cash on Hand and in Bank	1,360,529.11	2,203,430.70	1,891,136.90
Total Investments	35,387,838.43	28,371,797.06	29,918,291.67
Accrued Income from Investments	7,427.33	6,053.45	6,742.03
Prepaid Insurance	35,715.81	7,439.12	20,990.74
Deferred Expenses	37,799.74	7,924.70	19,395.20
Land & Building	123,996.28	135,056.20	146,008.15
Furniture & Fixtures	26,497.20	28,592.62	24,465.10
Accrued Interest on Loans	6,745.19	5,969.43	4,145.21
Share Insurance Fund	323,810.06	318,873.16	333,065.66
Negative Escrow Balance Receivable	-	-	-
Foreclosed Real Estate	-	-	-
TOTAL ASSETS	\$ 52,323,552.93	\$ 46,484,507.39	\$ 45,409,788.26
<u>LIABILITIES</u>			
Accounts Payable	\$ 2,088.34	\$ 3,517.69	\$ 3,213.72
Bill Pay	2,168.18	1,689.54	3,359.98
Cashier's Checks & Money Orders	53,053.09	5,734.18	6,300.00
Dividends Payable	-	84,933.22	73,102.24
Taxes Payable	1,100.00	1,013.86	653.44
Certificate Dividends Payable	8,015.15	7,779.46	6,650.21
Supervisory Audit Payable	2,800.00	1,275.00	2,900.00
Online ATM Settlement	\$ 2,658.01	\$ 3,290.73	\$ 2,172.21
TOTAL LIABILITIES	\$ 71,882.77	\$ 109,233.68	\$ 98,351.80
<u>EQUITY</u>			
Member's Savings Account	\$ 28,157,908.11	\$ 24,056,648.78	\$ 23,363,342.51
Member's Share Drafts	851,506.73	641,994.77	611,263.45
Member's Christmas Club Accounts	3,292.11	3,346.00	2,810.00
Member's Share Certificates	9,869,438.81	8,518,964.16	8,444,005.14
Regular Reserve	826,155.87	826,155.87	826,155.87
Undivided Earnings	12,543,368.53	12,328,164.13	12,222,811.39
Unrealized Gains/(Losses)	-	-	(158,951.90)
TOTAL EQUITY	\$ 52,251,670.16	\$ 46,375,273.71	\$ 45,311,436.46
TOTAL LIABILITIES & EQUITY	\$ 52,323,552.93	\$ 46,484,507.39	\$ 45,409,788.26
Number of Accounts	2,189	2,261	2,337
Number of Loans Made Since Organization	101,624	101,473	101,115
Amount Loaned Since Organization	\$ 234,673,633	\$ 229,317,934	\$ 223,720,942
Amount Charge-Off Since Organization	\$ 1,968,534	\$ 1,956,725	\$ 1,932,706
Recovered on Amount Charged-Off	\$ 667,328	\$ 664,644	\$ 623,591