

WHITING REFINERY FEDERAL CREDIT UNION

2022 ANNUAL REPORT

BOARD OF DIRECTORS

Towner, Carl	- President
Kirchhoff, David	- 1 st Vice-President
Markovich, Robert	- Treasurer
Brezene, Janet	- Secretary
Stewart, Jared	- Director
Mateja, Sue	- Director
Abercrombie, Mike	- Director
Phillips, Mark	- Director
Puente, Anthony	- Director

SUPERVISORY COMMITTEE

Brezene, Janet	- Chairperson
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

2022 REPORT OF THE BOARD OF DIRECTORS

MARCH 2023

To the Membership:

In 2022 we delivered on last year's promise to focus on growing the number of loans that we have and increasing our loan to share ratio in an effort to move away from low yielding investments such as CDs and move toward higher yielding investments such as loans to our members. We had a 52% increase in the number of loans made in the year compared to 2021. Our loan to share ratio increased from 32.7% to 41.3%. Maintaining competitive loan rates and expanding our loan offerings to include boat, RV, and motorcycle loans was the main reason we brought in so many new loans.

In addition to delivering on last year's promise we were also hard at work trying to improve the member's experience with the credit union. We worked with an architect on plans to revamp the lobby and if you've stopped by the credit union recently then you've seen the result of this work. We also rolled out updates to our mobile app which now has a much cleaner and easier to use interface. The staff has continued to do a great job maintaining the website and advertising our great rates on a variety of loan products and special benefits including the free checks for those over 50 program.

We're going to continue to focus on loans and loan growth in 2023. We work with a national mortgage origination company so if any of you are planning to move, even if it is far outside of the area, we can be your lending institution. We have extremely competitive loan rates on all manner of vehicles including automobiles, boat, RV's, motorcycle and of course home loans. We recently raised our CD rates so whether you're a borrower or have a few extra dollars to save, we want you to use and enthusiastically recommend our credit union to your family members and work colleagues at the refinery.

Allow me to take a moment to address the Treasurer's Report which you will hear about next. In 2021 we received a settlement payment from the NCUA insurance fund as the result of a credit union closure and subsequent distribution of those assets. This real, non-operating income boosted our bottom line in 2021 by over \$200,000. Accounting requirements also require us to mark investments to their market price and at the end of 2022, the market value of our mutual funds decreased by \$330,000. This \$200,000 real gain in 2021 and \$330,000 paper loss in 2022 was the reason for the large decrease in our year over year financial results.

I want to re-iterate that the WRFCU remains a financially strong institution with a very healthy asset base of \$56.5 million and an operating net income of \$188,000 which is 20% higher than in 2020. The value of our mutual fund investments at the end of 2022 were higher than when we purchased them back in 2016 and we've taken in dividends from those mutual funds totaling over \$500,000. In 2022 we returned 17 cents of every dollar of income back to the membership and added to undivided earnings.

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 offer top notch service in person, over the phone, and online. 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 2022 and there will certainly be more in 2023, 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 2022:

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 121 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, 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 .40APR/.40%APY for the first quarter of 2022, .40%APR/.40%APY for the second quarter of 2022, .50%APR/.50%APY for the third quarter of 2022 and .60%APR/.60% APY for the fourth quarter of 2022.
IMPLEMENTED	Automated Share Draft File and On Hold Messaging. Boat, RV's, and motorcycle loans.
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 2022. 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%, 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 black ink, appearing to read 'Carl Towner', with a horizontal line drawn underneath it.

Carl Towner, President

WHITING REFINERY FEDERAL CREDIT UNION

**1339 – 119TH Street
Whiting, Indiana 46394**

REPORT OF THE TREASURER 2022

Assets	\$56,499,575	Down	1,617,586	2.78%
Total Shares	33,208,097	Down	224,881	.67%
Total Share Certificates	8,320,320	Down	1,568,988	15.87%
Total Share Drafts	1,411,121	Up	318,663	29.17%
Total Christmas Club	3,258	Up	47	1.47%
Total Loans	9,151,640	Up	3,181,813	53.30%
Total Mortgages	8,605,874	Up	61,489	.72%
Gross Income	1,117,787	Down	172,796	13.39%
Expenses	605,085	Up	27,599	4.78%
Income Before Dividends	512,702	Down	200,395	28.10%
Dividends	324,026	Down	47,964	12.89%
Net Income After Dividends and non-Op Investments	(141,820)	Down	448,268	146.23%
Number of Accounts	2,057	Down	16	.77%

DIVIDENDS were paid at the rate of .40%APR/.40%APY for the first quarter, .40% APR/.40% APY for the second quarter, .50% APR/.50% APY for the third quarter and .60% APR/.60% APY for the fourth quarter of 2022.

As of December 31, 2022, the Whiting Refinery Federal Credit Union was holding the following investments:

Federal Agency Securities	\$12,500,000
Alloya Corporate FCU	\$19,129,333
Mutual Funds	\$3,100,874
Total Benefits Prefunding Inv.	\$2,086,100

As of December 31, 2022, delinquent loans amounted to 0.03% of total loans and mortgages outstanding vs. 0.74% for our peers. Below are comparative figures of amounts charged-off and turned over for collection during the past three years:

	2022	2021	2020
Total # Loans Charged-Off	0	1	2
Total \$ Loans Charged-Off	\$0.00	\$5,432	\$11,809
Total \$ Loans Outstanding	\$17,757,514	\$14,514,211	\$15,030,447
% Charged Off/Loans	0.00%	0.04%	0.08%

Respectfully submitted,

Robert Markovich
Treasurer

6 Mortgages were granted in the amount of	\$1,114,320.00
239 Consumer Loans were granted in the amount of	<u>\$6,488,280.65</u>
Total Loans Granted	<u>\$7,602,600.65</u>

LOAN OFFICERS

COMPARATIVE STATEMENT OF INCOME AND EXPENSES

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>OPERATING INCOME</u>			
Interest on Loans	\$ 527,266.31	\$ 510,794.82	\$ 568,749.48
Income from Federal Agency Securities	92,363.01	28,547.15	15,698.88
Income from Alloya Corporate FCU	263,008.96	283,945.26	430,687.75
Income from Mutual Funds	73,873.15	68,289.82	78,093.14
Income from Total Benefit Prefunding	55,748.72	55,713.33	55,130.21
Fees and Charges	13,719.10	10,206.94	7,107.96
ATM Surcharge Fees	562.00	560.00	788.00
Miscellaneous Operating Income	91,246.10	332,526.15	9,584.76
TOTAL OPERATING INCOME	\$ 1,117,787.35	\$ 1,290,583.47	\$ 1,165,840.18
<u>OPERATING EXPENSE</u>			
Compensation	\$ 192,390.90	\$ 188,879.18	\$ 177,443.71
Employee Benefits	87,561.99	79,360.52	76,438.93
Travel and Conference Expenses	9,002.32	7,200.83	1,763.11
Association Dues	12,134.46	11,660.78	11,659.83
Office Occupancy Expenses	77,713.28	77,400.39	75,222.39
Office Operating Expenses	139,037.69	134,838.79	120,000.15
ATM Expenses	2,923.20	2,655.00	1,215.00
Educational & Promotional Expenses	14,883.65	15,863.17	14,424.12
Marketing	500.00	12,400.00	-
Loan Servicing Expenses	22,359.42	51,323.22	43,456.28
Professional and Outside Services	9,700.00	8,405.00	10,538.08
Provisions for Loan Losses	(1,121.00)	(28,097.00)	(26,286.00)
Federal Supervision & Examination Expenses	9,297.26	5,838.33	16,368.97
Cash Over and Short	-	(100.00)	-
Interest on Borrowed Money	3,711.54		
Annual Meeting Expenses	3,244.03	1,255.33	1,872.50
Miscellaneous Operating Expense	21,746.17	8,602.90	7,097.69
TOTAL OPERATING EXPENSE	\$ 605,084.91	\$ 577,486.44	\$ 531,214.76
INCOME (Loss) BEFORE DIVIDENDS	\$ 512,702.44	\$ 713,097.03	\$ 634,625.42
Dividends	(163,747.82)	(189,431.99)	(288,207.06)
Share Certificate Dividends	(154,284.64)	(175,907.18)	(182,678.61)
Draft Dividend	\$ (5,993.16)	\$ (6,650.73)	\$ (7,353.37)
TOTAL DIVIDENDS	(324,025.62)	(371,989.90)	(478,239.04)
TOTAL OPERATING NET INCOME	\$ (929,110.53)	\$ (949,476.34)	\$ (1,009,453.80)
Non-Operating Gain/(Loss) on Investments	(330,496.97)	(34,659.23)	58,818.02
NET INCOME	\$ (141,820.15)	\$ 306,447.90	\$ 215,204.40

WHITING REFINERY FEDERAL CREDIT UNION

COMPARATIVE STATEMENT OF CONDITION

<u>ASSETS</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Outstanding Loans & Mortgages to Members	\$ 17,757,514.42	\$ 14,514,211.18	\$ 15,030,446.83
Less: Allowance for Loan Losses	(11,349.90)	(9,214.99)	(30,761.34)
Cash on Hand and in Bank	1,266,209.56	3,287,090.51	1,360,529.11
Total Investments	36,816,307.25	39,733,182.35	35,387,838.43
Accrued Income from Investments	26,827.51	12,403.09	7,427.33
Accrued Income from SimpliCD's	12,811.11	11,127.39	13,408.29
CUSC - CUSO Capital Investment	100.00	100.00	100.00
Prepaid Insurance	9,495.92	22,334.56	35,715.81
Deferred Expenses	4,562.77	5,488.17	37,799.74
Land & Building	134,902.14	113,037.91	123,996.28
Furniture & Fixtures	46,477.68	18,282.36	26,497.20
Accrued Interest on Loans	10,632.13	5,693.86	6,745.19
Share Insurance Fund	425,084.12	403,424.84	323,810.06
TOTAL ASSETS	\$ 56,499,574.71	\$ 58,117,161.23	\$ 52,323,552.93
<u>LIABILITIES</u>			
Accounts Payable	\$ 3,313.66	\$ 1,353.45	\$ 2,088.34
Mortgage Escrow A/C	(582.81)	\$ (802.40)	\$ -
Bill Pay	2,771.82	1,492.18	2,168.18
Cashier's Checks & Money Orders	4,066.20	7,450.00	53,053.09
Taxes Payable	1,177.10	1,293.50	1,100.00
Certificate Dividends Payable	6,399.27	7,358.14	8,015.15
Supervisory Audit Payable	4,500.00	3,100.00	2,800.00
Shared Branch Settlement	(546.00)	-	-
Online ATM Settlement	1,527.25	\$ 1,988.56	\$ 2,658.01
TOTAL LIABILITIES	\$ 22,626.49	\$ 23,233.43	\$ 71,882.77
<u>EQUITY</u>			
Member's Savings Account	\$ 33,208,096.79	\$ 33,432,977.93	\$ 28,157,908.11
Member's Share Drafts	1,411,121.17	1,092,458.38	851,506.73
Member's Christmas Club Accounts	3,258.40	3,211.28	3,292.11
Member's Share Certificates	8,320,319.71	9,889,307.91	9,869,438.81
Regular Reserve	826,155.87	826,155.87	826,155.87
Undivided Earnings	12,707,996.28	12,849,816.43	12,543,368.53
TOTAL EQUITY	\$ 56,476,948.22	\$ 58,093,927.80	\$ 52,251,670.16
TOTAL LIABILITIES & EQUITY	\$ 56,499,574.71	\$ 58,117,161.23	\$ 52,323,552.93
Number of Accounts	2057	2,073	2,189
Number of Loans Made Since Organization	102,030	101,785	101,624
Amount Loaned Since Organization	\$ 248,512,109	\$ 240,909,509	\$ 234,673,633
Amount Charge-Off Since Organization	\$ 1,973,966	\$ 1,973,966	\$ 1,968,534
Recovered on Amount Charged-Off	\$ 683,076	\$ 679,670	\$ 667,328