



2022 Annual Member Report

Your Trusted Financial Partner



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WELCOME TO THE 2022
ANNUAL MEMBER MEETING OF
BENCHMARK FEDERAL CREDIT UNION

Date: May 23, 2023

Time: 4:30 p.m.

Location: 1522 McDaniel Drive West Chester, PA 19380
and Virtually via Zoom

MEETING AGENDA

- I. Ascertain that a quorum is present (15 or more members)
- II. Review and approval of the minutes from the 2021 Annual Member Meeting held on May 24, 2022
- III. Report to the Membership
- IV. Supervisory Committee Report
- V. Election of Board Directors
 - a. Adam Lush
 - b. Mark Ward
 - c. Melissa E. Hawes, CPA
- VI. Old Business
- VII. New Business
- VIII. Adjournment

**ANNUAL MEMBER MEETING OF
BENCHMARK FEDERAL CREDIT UNION
MINUTES OF MAY 24, 2022**

The 2021 Annual Member Meeting of Benchmark Federal Credit Union was held virtually via Zoom. Chair Cristine Watrous opened the meeting at 4:30 p.m. She asked CEO Daniel J. Machon, Jr. if a quorum was present. He responded yes 22 members are on the Zoom.

Chair Watrous asked if there was a motion to approve the 2020 Annual Member Meeting Minutes. CEO Machon stated a motion and a second was received. Chair Watrous noted no objections and the 2020 Annual Member Meeting Minutes were approved.

CEO Machon reviewed the 2021 results and discussed various accomplishments reached throughout the year. He noted the 2021 Audited Financials were emailed to all members and they are also on the BFCU website.

Chair Watrous introduced Director and Supervisory Committee Member Melissa Hawes. Director Hawes reviewed the Supervisory Committee's role and responsibilities. She also spoke about the 2021 audit performed by an independent third party.

Chair Watrous reported the following nominees were elected by acclamation to serve on the Board of Directors for a term of three years each:

Cristine Watrous,
Daniel J. Machon, Jr.,
James D. McLaughlin, Esq., and
Michelle Rudzik.

There were no petitions filed by March 23, 2022; therefore, the nominees were deemed elected as Directors.

Chair Watrous noted there was no old business presented at the meeting. She then thanked the entire Benchmark Team for their efforts over the past year. She also thanked the members for their continued support. She then opened the floor to any questions.

CEO Machon read and answered a few questions from the members.

There being no other business, a motion was duly made and seconded to adjourn the meeting at 4:50 p.m.

Respectfully submitted,

Cristine Watrous, Chair

James McLaughlin, Secretary



Board of Directors

Adam Lush, Chair

Cristine Watrous, Chair Emerita

Tiffany Stokes, CPA, MBA, Vice Chair

Mark Bernstein, MBA, Treasurer

Melissa E. Hawes, CPA, Secretary

Arturo Guillen, Director

Michele Rudzik, Director

Mark Ward, Director

Daniel J. Machon, Jr., Director

Supervisory Committee

David Harrod, Chair

Greg Potuznik, Member

Arturo Guillen, Director, Member

Management

Daniel J. Machon, Jr., President/CEO

Christopher Breslin, Vice President/Retail Services

Travis Downing, Vice President/Information Services

Robin Feeko, Vice President/Operations

Donna Filipone, Vice President/Lending

Raymond A. Massi, CMA, CFO

Mark A. Pizzi, Vice President/Chief Commercial Operations Officer

Rebecca K. Worthington, Vice President/Marketing



Benchmark FCU's 2022 Annual Report

Dear Benchmark Federal Credit Union Members:

We are pleased to inform you that 2022 was a great year for our credit union, and we are proud to have continued to meet your financial needs.

Despite various challenges, we remained committed to delivering the highest quality services to our members. We understand that our members rely on us for a variety of financial needs, and we have strived to provide the necessary support and assistance to help you achieve your financial goals.

In 2022, we continued to expand our services and product offerings, with new and improved loan options, digital banking tools, and deposit products.

We are grateful for your trust and loyalty, and we pledge to continue to deliver personalized and member-focused services that meet your unique financial needs. As a member-owned credit union, we are committed to putting your financial well-being first and foremost.

Our mission remains to improve the well-being of our members through a lifetime of premier financial products and services. In 2022, our dedicated team of professionals assisted thousands of members and their families, helping them to identify the right financial solutions to meet their needs. We proudly supported dozens of organizations providing financial support along with volunteer service time in our local communities. We owe these successes to our team of employees who continued to work every day with the best interest of our members in mind.

As we look ahead to 2023, we anticipate further enhancements to our products, services, and our members' overall experience. Your credit union is well-positioned for continued growth and success, and we look to the future with hope and optimism. We are excited for the journey ahead, and we thank our member-owners, along with our hard-working team for choosing Benchmark Federal Credit Union every day. We are proud to present our 2022 Annual Report, which reflects a year of exceptional productivity, strength, and community support.

Highlights through year-end December 31, 2022 included:

- Loans to Members increased \$76.3 million or 47.5%
- Total Assets increased \$77.6 million or 31.0%
- Members' Shares increased \$29.5 million or 13.4%

Total assets grew to \$327.5 million. Net worth, which is the reserve that protects member deposits, increased to \$30.4 million, or 9.3% of total assets, compared to the minimum requirement of 7% set by the NCUA.

We also recorded net income of \$778,190 for the year ended December 31, 2022, an improvement of \$222,087, or 40% from 2021 results.

Our goal remains to keep Benchmark Federal Credit Union financially strong, so member deposits are safe. We continue to reward members with great loan and deposit rates; as well as extraordinary member service, so that members can also benefit from our high level of financial strength. We will focus our resources on developing new products and services to enhance our members' experience today and in the future.

In conclusion, we would like to express our sincere thanks for your ongoing support and trust. We look forward to continuing to serve you in the years to come. Thank you for your continued commitment to our credit union.



Daniel J. Machon, Jr.
President & CEO



Benchmark FCU's Commitment to Our Members

The mission of Benchmark Federal Credit Union is to improve the economic well-being of our members through a lifetime of premier financial products and services.

Every day BFCU strives to achieve our core values.

Members First – Building lifelong relationships to grow our membership, recognizing that members are BFCU's most important asset.

Highest Integrity and Ethics – Promoting the highest financial and ethical industry standards while acting with care, diligence, and fairness in all our business activities.

Courtesy and Professional Service – Providing courteous and professional service to members to promote a community of financial trust.

Culture of Communication – Cultivating communication and transparency to highlight our services and to demonstrate the financial benefits of credit union membership.

Education for Member Success – Educating members to ensure their long-term financial success.

Product and Service Enhancements – Continually enhancing the scope and variety of available products and services.

Technological Vanguard – Aligning members' financial needs to technological innovations to provide the most up-to-date service.

We will continue to provide extraordinary member service, by focusing on our mission and core values.



Supervisory Committee Report

One of the Supervisory Committee's major responsibilities is to have an independent audit performed at least annually to verify BFCU's financial reporting accurately reflects its financial condition and results of operations. To carry out these responsibilities, the Supervisory Committee employs independent certified public accountants to perform auditing and account verification work. For 2022, the Supervisory Committee hired RKL LLP to perform an annual audit of BFCU's financial statements in accordance with generally accepted auditing standards.

In addition, the Supervisory Committee works with the National Credit Union Administration (NCUA), our federal regulator, when it conducts its annual examination of BFCU. The Supervisory Committee also oversees the internal audit group to determine whether our operations are following BFCU's policies and procedures and that internal controls exist to protect member assets.

As detailed in RKL's Independent Auditor's Report to the committee, we are pleased to report BFCU's financial reporting accurately reflects its financial condition and results of operations. The full 2022 Audit Report is available on our website at <https://www.benchmarkfcu.org/about-us/reports-and-financials/>

The following schedules should be read in conjunction with the full 2022 Audit Report available on our website.

Benchmark Federal Credit Union

Statement of Financial Condition

	December 31,	
	2022	2021
Assets		
Cash and Cash Equivalents	\$ 747,931	\$ 775,644
Interest Bearing Accounts	7,788,223	28,452,516
Securities Available for Sale	46,145,008	46,308,196
Loans to Members		
Residential real estate and consumer loans	252,638,479	162,026,549
Commercial loans	14,047,876	7,631,627
	<u>266,686,355</u>	<u>169,658,176</u>
Allowance for loan losses	(1,699,760)	(1,344,191)
Loans to Members, Net	<u>264,986,595</u>	<u>168,313,985</u>
Accrued Interest Receivable	1,023,005	662,980
Property, Equipment, and Leasehold Improvements, Net	1,377,290	1,375,295
NCUSIF Deposit	2,108,142	1,953,181
FHLB Stock, at Cost	1,116,900	114,100
Prepaid Expenses and Other Assets	<u>2,213,047</u>	<u>1,957,920</u>
Total Assets	<u>\$ 327,506,141</u>	<u>\$ 249,913,817</u>
Liabilities and Members' Equity		
Liabilities		
Members' shares and savings accounts	\$ 250,232,211	\$ 220,754,103
Non-Members' shares and savings accounts	23,796,000	-
Borrowings	29,827,140	-
Accounts payable and accrued expenses	<u>472,777</u>	<u>375,493</u>
Total Liabilities	<u>304,328,128</u>	<u>221,129,596</u>
Members' Equity		
Regular reserve fund	4,954,900	4,954,900
Undivided earnings	25,468,496	24,690,306
Accumulated other comprehensive loss	<u>(7,245,383)</u>	<u>(860,985)</u>
Total Members' Equity	<u>23,178,013</u>	<u>28,784,221</u>
Total Liabilities and Members' Equity	<u>\$ 327,506,141</u>	<u>\$ 249,913,817</u>

Benchmark Federal Credit Union

Statement of Income

	Years Ended December 31,	
	2022	2021
Interest Income		
Interest on loans	\$ 7,798,650	\$ 6,252,298
Interest on investment securities and interest bearing accounts	876,211	761,455
Total Interest Income	8,674,861	7,013,753
Interest Expense		
Dividends on members' shares and savings accounts	1,084,747	836,206
Dividends on nonmembers' shares and savings accounts	333,979	-
Interest on borrowed funds	342,783	-
Total Interest Expense	1,761,508	836,206
Net Interest Income	6,913,352	6,177,547
Provision for Possible Loan Losses	500,000	-
Net Interest Income after Provision for Possible Loan Losses	6,413,352	6,177,547
Noninterest Income		
Service fees	254,745	189,213
Recovery of prior investment write-off	104,596	178,096
Other	897,405	907,239
Total Noninterest Income	1,256,746	1,274,548
Noninterest Expenses		
Employee compensation and benefits	3,362,050	3,547,833
Travel and conference	11,046	37,917
Office occupancy	256,309	350,025
Office operations	1,675,107	1,558,411
Educational and promotional	365,751	288,241
Loan servicing	856,255	814,959
Professional and outside services	216,294	216,363
Operating fees	42,225	50,725
Miscellaneous	106,872	31,518
Total Noninterest Expenses	6,891,909	6,895,992
Net Income	\$ 778,190	\$ 556,103

The above schedules should be read in conjunction with the full 2022 Audit Report available on our website at <https://www.benchmarkfcu.org/about-us/reports-and-financials/>