



# 2023 Annual Member Report

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# Benchmark

Federal Credit Union



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**WELCOME TO THE 2023**  
**ANNUAL MEMBER MEETING OF**  
**BENCHMARK FEDERAL CREDIT UNION**

Date: May 28, 2024

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 2022 Annual Member Meeting held on May 23, 2023
- III. Report to the Membership
- IV. Supervisory Committee Report
- V. Election of Board Directors
  - a. Mark Bernstein, MBA
  - b. Arturo Guillen
  - c. Tiffany Stokes, CPA, MBA
- VI. Old Business
- VII. New Business
- VIII. Adjournment

**ANNUAL MEMBER MEETING OF  
BENCHMARK FEDERAL CREDIT UNION  
MINUTES OF MAY 23, 2023**

The 2022 Annual Member Meeting of Benchmark Federal Credit Union was held in person at 1522 McDaniel Drive, West Chester, PA 19380 and virtually via Zoom. Chair Adam Lush opened the meeting at 4:30 p.m. He asked CEO Daniel J. Machon, Jr. if a quorum was present. He responded yes 30 members are present.

Chair Lush asked if there was a motion to approve the 2021 Annual Member Meeting Minutes. CEO Machon stated a motion and a second have been received. Chair Lush noted no objections and the 2021 Annual Member Meeting Minutes were approved.

CEO Machon then reviewed the 2022 results and discussed various accomplishments reached during 2022. He noted the 2022 Audited Financials were emailed to all members and they are also on the BFCU website.

Chair Lush then introduced Director and Supervisory Committee Member Arturo Guillen. Director Guillen then reviewed the Supervisory Committee's role and responsibilities. He also spoke about the 2022 audit performed by an independent third party.

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

Adam Lush,  
Mark Ward, and  
Melissa Hawes.

There were no petitions filed by April 14, 2023; therefore, the nominees are deemed elected as Directors.

Chair Lush noted there was no old business presented at the meeting. He then thanked the entire employee team for their efforts over the past year. He also thanked the members for their continued support. He then opened the floor to any questions.

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

Chair Lush announced that Director McLaughlin was stepping down from the Board after 17 years of service. He thanked Director McLaughlin for his service.

There being no other business, a motion was duly made and seconded to adjourn the meeting at 4:45 p.m.

Respectfully submitted,

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Adam Lush, Chair

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Melissa Hawes, 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 2023 Annual Report

Dear Benchmark Federal Credit Union Members:

As we reflect on the journey of 2023, we are thrilled to share the remarkable milestones and successes we've achieved together. Your trust and loyalty have been the cornerstone of our accomplishments, and we are immensely grateful for your unwavering support.

In the face of evolving challenges, we remained steadfast in our commitment to delivering excellence in financial services. Your needs have always been our priority, and we've continued to innovate and expand our offerings to better serve you.

### **Empowering Financial Futures: What We Accomplished Together**

In 2023, we embarked on an exciting journey of growth and enhancement. Here are some highlights that showcase our collective achievements:

**Expanded Financial Solutions:** We're proud to have introduced a range of new and improved financial products and services tailored to meet your evolving needs. Whether it's flexible loan options, innovative digital banking tools, or competitive deposit products, we're dedicated to empowering you on your financial journey.

**Community Impact:** Beyond serving your individual financial goals, we remained deeply rooted in our commitment to supporting the communities we serve. Through volunteer efforts and financial contributions, we've made a meaningful difference in the lives of countless individuals and organizations. Together, we're building a stronger, more vibrant community for us all.

**Financial Strength:** Amidst economic fluctuations, we've upheld our commitment to financial stability and resilience. Our continued growth is a testament to our sound financial practices and prudent management. With total assets at \$310.9 million, and net worth at \$31.2 million, or 10.03% of assets, we've fortified the foundation that safeguards your deposits and investments.

**Member-Centric Approach:** Your satisfaction and well-being remain at the heart of everything we do. Our dedicated team of professionals has worked tirelessly to provide personalized, member-focused service that exceeds your expectations. Your feedback guides our decisions, and your success fuels our passion for excellence.

### **Looking Ahead: A Vision for the Future**

As we turn the page to 2024, we're filled with excitement and optimism for the possibilities that lie ahead. Together, we will continue to innovate, evolve, and adapt to better serve your needs. Here's what you can anticipate:

**Enhanced Member Experience:** We're committed to raising the bar in member experience, leveraging technology and personalized solutions to make your interactions with us seamless and rewarding.

**Innovative Products and Services:** Stay tuned for exciting new offerings designed to empower you on your financial journey. Whether it's simplifying processes, offering competitive rates, or providing financial guidance, we're here to support you every step of the way.

**Community Engagement:** Our dedication to community impact remains unwavering. We will continue to actively engage with and support local initiatives that enrich the lives of those around us. Together, we can make a meaningful difference and build a brighter future for all.

### **Navigating Challenges on the Horizon**

While we embrace the opportunities that 2024 brings with excitement and optimism, we acknowledge that challenges also lie ahead. Global



conflicts, inflationary pressures, and the evolving interest rate landscape present complexities that demand careful navigation. Additionally, as regulatory landscapes continue to evolve, we anticipate potential challenges in adapting to new compliance requirements.

Despite these hurdles, we remain steadfast in our commitment to safeguarding your financial interests and ensuring the stability and resilience of our credit union. Through strategic planning and proactive risk management we are confident in our ability to overcome these challenges and emerge stronger together.

Your confidence in us fuels our determination to navigate these uncertainties with integrity and resilience. Together, we will chart a course toward a brighter, more prosperous future for all.

### **Thank You for Being Part of Our Journey**

In closing, we extend our heartfelt gratitude to each and every one of you for your continued trust, support, and partnership. Your belief in us inspires us to reach new heights and make a positive impact in the lives of our members and communities.

As we embark on another year together, we invite you to join us in shaping the future of our credit union and the communities we serve. Together, we are stronger, more resilient, and better positioned for success.

Thank you for being an integral part of our credit union family. Here's to a year filled with growth, prosperity, and shared achievements.

A handwritten signature in blue ink that reads "Daniel J. Machon, Jr." in a cursive script.

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 2023, the Supervisory Committee hired RKL LLP to perform an annual audit of BFCU's financial statements in accordance with accounting principles generally accepted in the United States of America.

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 2023 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 2023 Audit Report available on our website.

## Benchmark Federal Credit Union

### Statement of Financial Condition

	December 31,	
	2023	2022
<b>Assets</b>		
Cash and Cash Equivalents	\$ 827,689	\$ 747,931
Interest Bearing Accounts	12,654,173	7,788,223
Securities Available for Sale	29,675,323	46,145,008
Loans to Members		
Residential real estate and consumer loans	247,848,270	252,638,479
Commercial loans	14,207,017	14,047,876
	262,055,287	266,686,355
Allowance for credit losses	(1,783,091)	(1,699,760)
Loans to Members, Net	260,272,196	264,986,595
Accrued Interest Receivable	1,031,941	1,023,005
Property, Equipment, and Leasehold Improvements, Net	1,256,570	1,377,290
NCUSIF Deposit	2,339,521	2,108,142
FHLB Stock, at Cost	973,200	1,116,900
Right-of-Use Asset	268,723	-
Prepaid Expenses and Other Assets	1,566,616	2,213,047
<b>Total Assets</b>	<b>\$ 310,865,952</b>	<b>\$ 327,506,141</b>
<b>Liabilities and Members' Equity</b>		
<b>Liabilities</b>		
Members' shares and savings accounts	\$ 242,371,009	\$ 250,232,211
Nonmembers' shares and savings accounts	23,294,000	23,796,000
Borrowings	19,401,608	29,827,140
Accounts payable and accrued expenses	565,243	472,777
<b>Total Liabilities</b>	<b>285,631,860</b>	<b>304,328,128</b>
<b>Members' Equity</b>		
Undivided earnings	31,176,303	30,423,397
Accumulated other comprehensive loss	(5,942,211)	(7,245,383)
<b>Total Members' Equity</b>	<b>25,234,092</b>	<b>23,178,013</b>
<b>Total Liabilities and Members' Equity</b>	<b>\$ 310,865,952</b>	<b>\$ 327,506,141</b>

## Benchmark Federal Credit Union

### Statement of Income

	Years Ended December 31,	
	2023	2022
<b>Interest Income</b>		
Interest on loans	\$ 10,389,777	\$ 7,798,650
Interest on investment securities and interest bearing accounts	<u>1,055,028</u>	<u>876,211</u>
<b>Total Interest Income</b>	<u>11,444,806</u>	<u>8,674,861</u>
<b>Interest Expense</b>		
Dividends on members' shares and savings accounts	3,315,614	1,084,746
Dividends on nonmembers' shares and savings accounts	784,113	333,979
Interest on borrowed funds	<u>1,014,645</u>	<u>342,783</u>
<b>Total Interest Expense</b>	<u>5,114,372</u>	<u>1,761,508</u>
<b>Net Interest Income</b>	<b>6,330,433</b>	<b>6,913,353</b>
<b>Provision for Credit Losses</b>	<u>305,000</u>	<u>500,000</u>
<b>Net Interest Income after Provision for Credit Losses</b>	<u>6,025,434</u>	<u>6,413,353</u>
<b>Noninterest Income</b>		
Service fees	219,133	254,745
Loss on Sale of securities/recovery of prior investment write-off	(398,796)	104,596
Other	<u>999,792</u>	<u>897,405</u>
<b>Total Noninterest Income</b>	<u>820,129</u>	<u>1,256,746</u>
<b>Noninterest Expenses</b>		
Employee compensation and benefits	2,832,345	3,362,050
Travel and conference	18,905	11,046
Office occupancy	268,528	256,309
Office operations	1,787,026	1,675,107
Educational and promotional	348,000	365,751
Loan servicing	536,928	856,255
Professional and outside services	211,582	216,294
Operating fees	45,389	42,225
Miscellaneous	<u>43,953</u>	<u>106,872</u>
<b>Total Noninterest Expenses</b>	<u>6,092,656</u>	<u>6,891,909</u>
<b>Net Income</b>	<u>\$ 752,907</u>	<u>\$ 778,190</u>

The above schedules should be read in conjunction with the full 2023 Audit Report available on our website at <https://www.benchmarkfcu.org/about-us/reports-and-financials/>