

BUILDING

Together

Afena Federal Credit Union
Annual Report 2022



Afena Federal Credit Union



Afena Federal Credit Union

65th Annual Meeting | April 26, 2023

2023 MEETING AGENDA

WELCOME - Chairman, Nathan McNeely

CALL TO ORDER

ORDER OF BUSINESS

- Minutes from 2022 Annual Meeting - Secretary, Mark Souers
- Roll Call - Secretary, Mark Souers
- Nominating Committee Report - Scott Overman
- Chairman's Report - Nate McNeely, Chairman of the Board
- President's Report - Karen Madry, President/CEO
- Treasurer's Report - Frank Gulley
- Supervisory Committee Report - Mindy Mayes

NEW BUSINESS

- Awards and Recognition

ADJOURN



“The need for a new corporate headquarters has been years in the making. Having the opportunity to build this beautiful new branch right in the heart of the North Marion bypass feels like a dream come true.”

- Karen Madry, President and CEO



NEW CORPORATE HEADQUARTERS COMING 2023

In the Spring of 2022, Afena Federal Credit Union broke ground on a key plot of land along the North end of the Marion bypass to be the future site of the Credit Union’s new corporate headquarters. Set to open in May 2023, the new headquarters will feature nearly 10,000 square feet of space to provide ample room for future growth, as well as include a full-service branch and the very latest in interactive banking technology. The need for a new corporate headquarters has been on the Credit Union’s radar for a while, thanks

to the tremendous organizational growth Afena has experienced over the past few years. Watching the construction of the new building progress throughout the year has generated excitement among staff, members, and the community at large. Of the new building, Afena President and CEO, Karen Madry, said, “The stars aligned and Afena was blessed to find the perfect location that will allow us to provide better service to our existing members, as well as attract new members to the Credit Union as we continue to grow.”

64th Annual Meeting Minutes

Afena Federal Credit Union | April 21, 2022

DIRECTORS PRESENT

Nathan McNeely
Cindy Korporal
Mindy Mayes
Frank Gulley
Michael Crawford
Mark Souers

DIRECTORS ABSENT

Richard Dollar

Afena Federal Credit Union's 64th Annual Meeting was held on Thursday April 21, 2022 at Ivy Tech College's Conference Center located at 261 Commerce Dr, Marion, IN 46953. At 5:59 PM, CEO Madry explained that the caterers were delayed, and the meal would be served between the old business and new business. Chairman McNeely, asked Mindy Mayes to give the invocation. Afena's VP of Marketing, Shelby Schuh, made a few remarks about the theme of the annual meeting and read our poem.

1. CALL TO ORDER: Chairman McNeely officially called the meeting to order at 6:07 PM.

2. ROLL CALL & DECLARATION OF QUORUM: In the absence of our Board Secretary, Chairman McNeely asked Vice Chairman Gulley to assume the duties of the Secretary during the meeting. Gulley, called the roll of officers. Board members present were: Nathan McNeely, Frank Gulley, Cynthia Korporal, Michael Crawford, Mindy Mayes and Mark Souers. There were 6 board members present. It was noted again that Secretary, Richard Dollar was absent. With more than 60 guests present at the meeting, Vice Chairman Gulley declared that a quorum was present.

3. WELCOME: Chairman McNeely welcomed the members, guests, and employees to the 64th Annual meeting. He recognized special guest including John McKenzie, President of the Indiana Credit Union League; Brian Cowgill, President of the Marion City Council; Councilperson Robin Fouce, who represents District 4 on the Marion City Council and serves as Chair of the Development Committee; three guest from Hartson-Kennedy Cabinet Top Company – Chris Kennedy, President and CEO, Nicole Schwartz, CFO and Shelley Preston, Human Resource Director; and Reverend Larry Batchelor, pastor of Greater New Light Baptist Church.

4. ORDER OF BUSINESS: The Chairman entertained a motion to suspend the normal order of business and proceed to the election of officers immediately following the approval of the 2021 Annual Meeting Minutes. Motion made by Scott Overman, second by Cindy Korporal. Motion carried.

5. 2021 ANNUAL MEETING MINUTES: Vice Chairman Gulley advised that the minutes of the last Annual Meeting can be found inside of the Annual Report which was distributed to all members. Gulley requested that the minutes be approved as printed. Motion by Darl Johnson and second by Nikita Tays. Motion Carried.

6. ELECTION OF OFFICERS: Scott Overman, of the Nominating Committee, presented the following members for office of the Board of Directors: Richard Dollar and Michael Crawford were nominated to retain their seats and serve a three-year term; Mindy Mayes was nominated to serve a remaining two-year term of former board member. Chairman McNeely recognized there were no other nominations for the open positions. He entertained a motion to accept these members to serve on the Board of Directors. Motion made by Frank Gulley, second by Sherry Dixon. Motion Carried.

7. SPECIAL REPORTS:

- a. Chairman McNeely gave his verbal report for the 2021 Annual Meeting. A printed copy was included in the annual report.



- b. President Madry gave her verbal report for the 2021 Annual Meeting. A printed copy was included in the annual report.
- c. Supervisory Committee Chair Mindy Mayes gave her verbal report. A printed copy was included in the annual report.

8. UNFINISHED BUSINESS: There was no unfinished business to bring before the membership.

At this time, Chairman McNeely advised the guests that we would take a short break for dinner and the meeting would resume after everyone had been fed.

9. NEW BUSINESS: CEO Madry discussed the purchase of the land formerly known as Raintree Plaza which would be used to construct the new Corporate Headquarters and retail branch. She explained this would replace the branch currently located at 424 N Bradner Ave.

10. GUEST SPEAKERS:

- a. John McKenzie, President of the Indiana Credit Union League made a few remarks. He congratulated the credit union on its upcoming ground breaking ceremony and the tremendous growth it had experienced in recent years. He also commented on the commitment Afena has to the community, and acknowledged our CDFI designation and expounded on the significance of this designation. He shared that Karen had received the Chairman's Global Good Award during the 2021 Indiana Credit Union League Convention and Frank Gulley received the Leadership Achievement Award. He concluded with comments on Madry's advocacy efforts and service to the Credit Union Movement at the State, National and International level.
- b. Councilperson Robin Fouce made a few remarks about Afena's commitment to the build a stronger community. She stated she was first introduced to Afena when Madry went before the Development Council to request a tax abatement. During that meeting, she learned about Afena's commitment to community and its vision to improve financial inequality in the community. She thanked the staff and board for their commitment to its members.
- c. Councilman Brian Cowgill shared his personal experience when he opted to join Afena after the City Council voted unanimously to award Afena the 3-year tax abatement. He stated the Council believed it was important to support a company that was passionate about being a good community partner. He stated that the City Council members want to see Afena thrive.

11. DOOR PRIZES: There were seven gift cards to local eateries raffled off valued at \$15 each as well as a set of luggage.

12. CONCLUSION: Guest were reminded of upcoming events: Shred Day and Riley Day at River's Edge Golf Course. McNeely also stated that we are in search of volunteers to serve on the Supervisory Committee.

13. OTHER BUSINESS: There was no other business to be discussed and no additional questions from the floor.

14. ADJOURNMENT: Chairman McNeely, thanked everyone for attending the 64th Annual Meeting. He then called for a motion to adjourn. Gulley made the motion and the meeting adjourned at 8:17 PM.

Chairman's Report

Thank you to all of our members for placing your trust in Afena Federal Credit Union. Afena exists to provide our members with top notch products, services, and financial literacy that allow them to experience a level of financial freedom that they never thought possible. Afena continues to be a credit union that finds a way to say, YES to our members. We are able to do that through the intentionality that each of our employees place on building a relationship with each member and understanding the best path forward to meet their needs.

In 2022, the success of our credit union has continued despite the consistent changes we see within our world today. We are a solid institution that continues to grow and weather storms and that is attributed to each of you, our loyal members.

Your Credit Union has grown in membership to over 8,260 members, which includes over 100 new members at our Upland branch. We have grown 11.21% in total assets over the past year and are now over \$92 million in assets. This type of growth does not happen by accident; rather it is by design of a passionate and relentless CEO, a committed executive leadership team, talented employees, and a dedicated board of directors—all focused on taking care of our members.

This past year, we have continued to seek ways to offer our members opportunities to take advantage of the promotions that are offered throughout the year such as the Holiday Loan Special, Bridge the Gap Loans, March Madness, and Debt Consolidation. Our marketing team has not only done a tremendous job of getting the word out about these opportunities, but consistently finds ways to celebrate our members on social media.

As we look to the future and what it looks like building together, we are excited about a major development that has taken the form of a beautiful, new 9,500 square foot building on the North end of the bypass that will serve as our new Afena corporate headquarters. We look forward to the opening of our new building in May of 2023.

Again, I would like to express my appreciation to our staff and volunteers, as well as to thank you, our members, for your confidence in Afena Federal Credit Union. I look forward to serving our community together in 2023!

Nathan McNeely
Chairman, Board of Directors

BUILDING COMMUNITY

At Afena, we believe in building successful, thriving, financially-savvy communities with universal access to high-quality financial products, services, and resources. To accomplish this goal, we focus on three pillars for success: presenting and supporting community events, building relationships with local non-profits, and empowering under-served communities to achieve financial success.



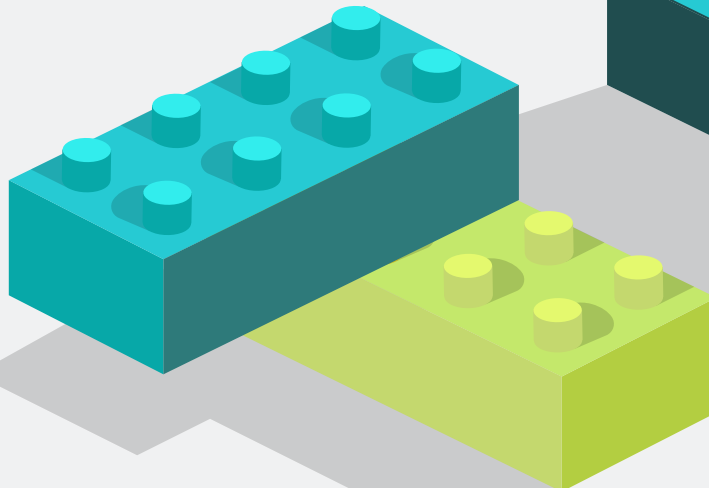
In June, Afena helped protect community members against identity theft through our annual Free Shred Day event. In the fall, we presented our Riley Monster Mini-Golf event and spent the month of October working to raise nearly \$12,500 for Riley Children's Hospital.



Afena works to actively build strong relationships with nonprofits through board service, corporate donations, and innovative partnerships such as our Bridge the Gap loan program with the Community Foundation of Grant County.



At Afena, we take our commitment to leveling the financial playing field and empowering under-served individuals very seriously. In 2022, 74% of our loans were made to families that fell below 80% of the area median income level.



VISION

Afena exists to give our members what counts most in life: **freedom, pride, and an enduring legacy.**

Afena Federal Credit Union will **inspire its members to dream big**, knowing that we will walk beside them every step of the way, helping them to develop the **perfect financial plan needed to achieve their dreams.**

MISSION

VALUES

Afena Federal Credit Union is a **friendly place with familiar faces**, where we will always **listen to your story** and **treat you like a person, not a credit score**. We are committed to **improving financial equity** in every community that we serve, because we believe that in life, and in banking, progress is more important than perfection.

President's Report

We began 2022 hoping the economic challenges of the past two years were coming to an end. Restrictions related to the pandemic continued to ease, the issues with the supply chain seemed to be improving and unemployment remained relatively low. But as we journeyed through the year, we continued to experience volatility and uncertainty in the global markets which impacted our local communities. We saw inflation peak in June at 9.1%. Though it trended down during the second half of the year, overall, it increased by 6.5%, which meant you, our members, endured higher prices for essential items such as food, fuel and utilities. The Federal Reserve hiked rates seven times throughout the year, a total of 4.25%. We saw volatility in the financial markets, and we heard stories about the unfavorable impact it had on investment portfolios. As the events of the year unfolded, Afena's board and management remained mindful of how these factors, which were outside of our member's control, caused financial stress and strain on their budgets and cash flow. The thought of tightening our credit standards or pulling back on making resources available to our membership never crossed our minds. We stand strong behind our tagline, "We're in this together"!

You may recall last year's annual meeting theme, "Oh, the Places We'll Go"! Well, I am happy to report that your continued commitment and support of the Credit Union caused us to soar in 2022. We were optimistic that our strategies would continue to yield positive trends, but I must admit that we exceeded our expectations. Keep in mind when I say 'we', I mean the combined efforts of you, our member-owners, our loyal and committed staff, and our dedicated volunteers—all of the individuals who contribute to our success. As Chairman McNeely reported, our credit union's assets grew by \$9.3M, as a result we finished the year as a \$92.2M institution – WOW! Our loan portfolio grew by \$7.6M (13.82%), our member deposits increased by \$5.9M (8.09%), and we finished the year with a healthy net worth ratio of 12.32%, an increase of 31.42%. We also attracted 852 new members throughout the year. We always ask new members what brought them to Afena, and 8 out of 10 times they say it was YOU, one of our existing members, who referred them to us. This proves we are all in this together.

It is always difficult to express just how much we appreciate you. We, the staff, do not take our success lightly. We realize our members have so many wonderful financial institutions who can provide them with banking services, but you chose us and for that we are eternally grateful. In return, we do our best to provide you with the level of service that exceeds your expectation. We truly strive to live up to our promise to build a stronger financial future for our members. We take time to listen, seek to understand, and develop a custom financial plan that is in your best interest, putting your financial success above all else. We do this while being mindful of keeping all of our members' investments safe. We pride ourselves in working with our members through tough times and in return so many of you have become loyal life-long members, not only bringing your total banking relationship to us but encouraging your family, friends and acquaintances to do the same. Again, I stress it is the combined efforts of everyone that has led to the amazing success Afena has experienced year after year.

Beyond the numbers, in 2022 we demolished an abandoned Marion landmark which had turned into an eyesore, the Raintree Plaza, and in its place, we saw Afena's brand new corporate headquarters and North Marion retail location begin to take shape. We are grateful to the City of Marion and its engineers for their contributions towards helping us to ensure our building would remain dry (long-time residents may remember that the Raintree movie theatre was known to flood). We are excited to unveil the finished product at our official grand opening, and we invite everyone to come out and join us for our ribbon-cutting event on May 17, 2023 at 9:45 AM.

2022 provided us with additional expansion opportunities as well. Since the opening of our Upland branch in 2020, we found ourselves turning away individuals who lived just miles from our branch in Blackford County because they could not qualify for membership under our existing charter. If you know Afena, you know we work hard to find a way to say "YES". After conferring with the Indiana Credit Union League and the National Credit Union Administration (NCUA), we opted to apply for expansion into three new counties, Blackford, Jay and Wells. I am pleased to announce that on January 3, 2023 our request was granted. As we forge ahead, we are excited about the opportunities this expanded field of membership will bring.

Our continued growth and success has created new employment opportunities for residents in our communities; as such, we will be adding ten new full-time positions. We are happy to announce that all three of our locations will have Saturday hours, and we are working to establish a call center. We know you have endured long hold times and sometimes your calls went unanswered. Please know we heard you, and we plan to correct it. Your calls are important and we want to have adequate staff to handle your inquiries. We are grateful for your understanding when we explained our membership has grown, our lobby traffic has increased, and though we try our best, we cannot seem to keep up with the volume.

We hope your relationship with Afena gives you a sense of pride. We strive hard to make sure that every person we serve feels valued and important. We remain mindful of the founding credit union principle of 'people helping people'. When our members share their feelings of hopelessness and despair because life has been unkind, we are always willing to roll our shirt sleeves up and dig deep to replace those emotions with dignity, encouragement, and empowerment. We believe in teaching our members how to become great stewards of their finances, and we remain committed to helping you build a financial legacy that gives you a sense of self-esteem and honor.

Afena's vision is to establish itself as an exceptional financial institution. One focused on guiding its members towards a healthier financial future while maintaining its commitment to outstanding member service and sound business practices to ensure sustainable growth. Our desire is to become the financial institution of choice for its communities, focused on meeting the needs of all we serve, regardless of socio-economic background. We remain committed to providing products and services that create solutions to the financial and economic challenges our members face. We hope you feel we are living up to our commitment, our mission, and our vision. Again, we are truly honored you chose to bank with Afena FCU. Together we will build a stronger credit union, stronger community, and brighter future for all!

Karen L. Madry
President and CEO

Building stronger members

“One of my goals was to become financially stable again and not only stable, but financially successful...Thanks to Afena, I achieved that goal.”



“I’d been dealing with some unexpected financial hardships and had gone through my savings and my resources. I knew that I needed to do something. I ran into Karen (Madry) at the beauty salon and found out she worked at the credit union. I didn’t know much about it, but right then and there, she started talking to me about Afena’s products and services that she knew could help me re-build my credit.

I opened a savings account at Afena and started with a secure credit card. Then, I got a small loan to help build my credit, and after I paid that off, I was able to do a Bridge the Gap Loan. Each one just kept me climbing up on my credit. Now, thanks to Afena, I was able to finance my new vehicle through the credit union and get a great interest rate.”

“When I first joined Afena 11 years ago, I had no way of knowing how much they would be able to help us with our finances over the years, and I can’t tell you how grateful I am to be a member. A few years ago, my wife and I worked with the Credit Union on a debt consolidation loan that helped give us a new financial start. It’s so nice to have a financial partner that can give you a break and help you figure things out.

In April of 2022, Afena helped us refinance our vehicle and saved us \$230 a month in payments. Our interest rate at One Main was 24.00% APR and Afena got us down to 2.49% APR, so we’ll save about \$20,000 of interest in total. The refinancing process was so quick and easy, I couldn’t believe it. I tell everyone—if you’ve got something you need to do financially, whether it be a vehicle or a home, Afena is who to go see.”

“I tell everyone—if you’ve got something you need to do financially, whether it be a vehicle or a home, Afena is who to go see.”



"I see a rainbow at the end of my financial storm, and Afena is my angel. I will be a member for life."



"It all started when I was double-charged by my cell phone provider and by the time I realized it, over-drafts and fees had my checking account in the negative by over \$700. I had been a loyal customer of my bank for years, but when I went and explained what had happened, they told me there was literally nothing they could do to help. I had no idea how I was going to recover.

Luckily, I had a few friends who recommended that I check out Afena. So I came in and was able to qualify for a \$2,000 Bridge the Gap Loan, which was enough to get my checking account right and provide a little extra cushion of savings for security. The way Afena worked with me to get me exactly what I needed, at the time that I needed it, was amazing. I've brought all of my accounts over to Afena now and I am still working with a loan officer as my financial coach. I'll be a member for life!"

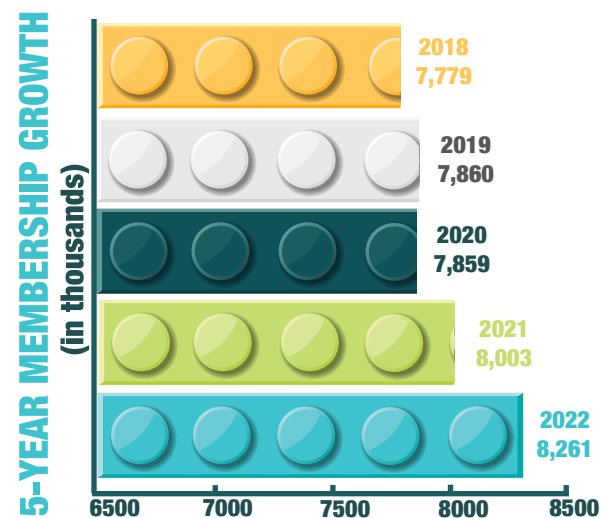
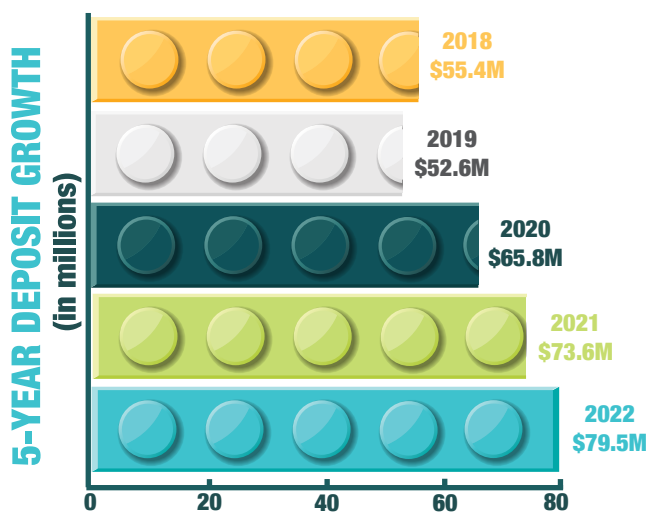
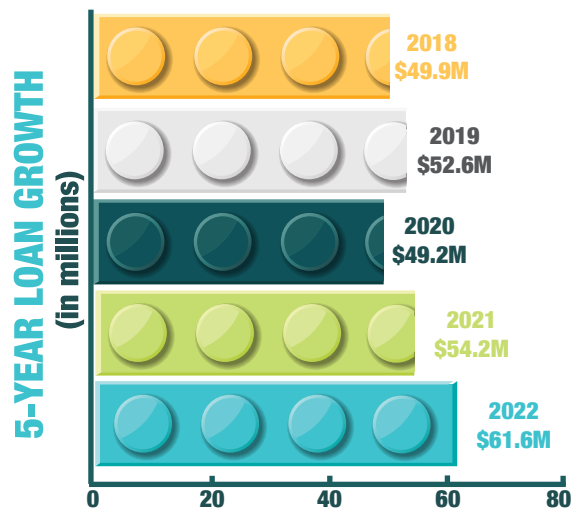
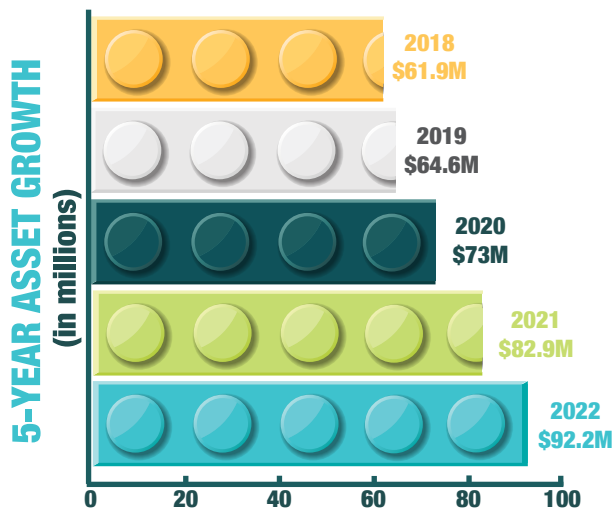
"My husband was very good with money and he always took care of our finances, and when he passed away a few years ago, I was just devastated. I was totally overwhelmed by the grief and desperate for a way to numb the pain...and I just went a little crazy. I was spending money on anything I could to get my mind off of everything. I traveled, I went to casinos, it was like I was in a trance.

By the time I snapped out of it, I was over \$48,000 in debt and was in so deep that I couldn't get myself out, but no one at the banks I talked would help. I was brought up, you pay your bills... I really didn't want to file bankruptcy. But, I wouldn't have had a choice if Afena hadn't been willing to help me. Ultimately, I was able to use the equity from my home to consolidate all of my debt into one payment, which saved me \$906 a month. I can't express how grateful I am for Afena and how it changed my life."

"I needed to get myself out of trouble, but I didn't know how. Afena gave me the ability to do that, and it makes me feel good about myself."



We're in this together.



Treasurer's Report

Afena Federal Credit Union achieved impressive financial results in 2022. Net loans increased by \$7.4 million. Our commitment to financial equality, dedication to education and developing custom financial solutions resulted in Afena granting nearly 2,500 loans totaling \$37.9 million. We ended the year with net loans of \$61.6 million.

While loan growth is important, Afena continues to reinforce the need for growth on the opposite side of the balance sheet, member deposits. As a member-owned cooperative, we rely heavily upon our member's deposits to provide the funding needed for loans. In 2022, total share balances increased by \$2.1 million, resulting in a year-end balance of \$79.5 million.

Net income in 2022 was \$0.8 million, a slight decrease from the previous year. A closer look at our financial statements shows the decline was due to higher dividend payments to our members and a larger provision expense for possible future losses driven by the growth in our loan portfolio.

Total assets increased to \$92.2 million. Net worth, a key indicator of safety and soundness, was \$1.4 million, or 12.36% of total assets. Afena Federal Credit Union remains well positioned for continued strong financial performance.

Frank Gulley, Treasurer

Comparative Financial Statement

	December 2021	December 2022
Net Loans	\$54,201,280	\$61,590,641
Investments	19,467,631	19,467,631
Other Assets	9,238,280	14,275,476
Total Assets	\$82,907,192	\$92,202,879

Liabilities	\$1,553,782	\$1,313,121
Member Savings	73,581,553	79,530,793
Equity	7,771,857	11,358,964
Total Liabilities & Equity	\$82,907,192	\$92,202,879

Interest Income	\$2,837,232	\$3,109,580
Dividend Expense	(386,478)	(432,123)
Net Interest Income	2,450,753	2,677,457
Operating Expense	(3,558,919)	(3,840,366)
Provision for Loan Loss	172,702	417,335
Other Income	2,425,607	2,438,236
Other Expenses	(187)	(70,886)
Net Income	\$1,144,739	\$787,107

Supervisory Committee

The Supervisory Committee (the Committee) consists of Board-appointed volunteers who work on behalf of the membership by providing an independent view of Afena Federal Credit Union's safety and soundness. The Committee works to monitor the financial health of the Credit Union and monitor the controls, policies, and systems put in place by the Credit Union to mitigate financial, operational, and compliance risks.

The Committee accomplishes this by overseeing various audits, examinations and procedural reviews. The Committee employs the independent accounting firm of Whiting & Company as a key component in meeting its responsibilities to perform internal and procedural audits.

During 2022, Whiting & Company completed reviews of various internal controls and regulatory requirements, in addition they finalized the 2021 financial statement opinion audit. Their audits did not disclose any material discrepancies and indicated that accounting records were maintained in accordance with generally accepted accounting principles and federal credit union guidelines.

In addition, the Committee monitored the regulatory examination performed by the National Credit Union Administration (NCUA). The Committee reviewed the results of the examinations as well as Management's responses and actions taken in response to NCUA's recommendations.

After careful consideration, the Committee, in conjunction with the Board of Directors chose to change CPA firms for its financial statement audits. FORVIS, our new CPA firm is currently wrapping up the 2022 financial statement opinion audit.

The Committee would like to thank you, the members, for supporting Afena Federal Credit Union. Likewise, we commend the Credit Union's volunteer Board for their diligence and guidance in the oversight of the Credit Union as well as their support of the Committee and its activities. We appreciate the opportunity to serve on behalf of you, the member.

Respectfully submitted,
Mindy Mayes, Chairperson



Staff & Volunteers

BOARD OF DIRECTORS

Nathan McNeely, Chairman
Michael Crawford, Vice Chairman
Mark Souers, Secretary
Frank Gulley, Treasurer
Richard Dollar
Shayona Funches
Mindy Mayes

SUPERVISORY COMMITTEE

Mindy Mayes, Chairperson
Robert Bannister
Brandon McKee

SENIOR MANAGEMENT TEAM

Karen Madry, President & CEO
Sven Leander, Executive VP & COO
Stacey McKee, Vice President HR
Shelby Schuh, Vice President Marketing

COLLECTIONS

LaTaya Boyd
Kristin Jones
Christine Weaver

COMPLIANCE

Betty Hatmaker
RaChelle Fears-Neal

FINANCE

Ashlyn Hall
Kim Randles
Ruth Williams

IT & SECURITY

Dan Tinsley, AVP

LENDING

Sherry Dixon
Lisa Middleton
Kati Pogue
Nikita Tays
Steve Ybarra

MARKETING

Megan Helton

MEMBER SERVICE

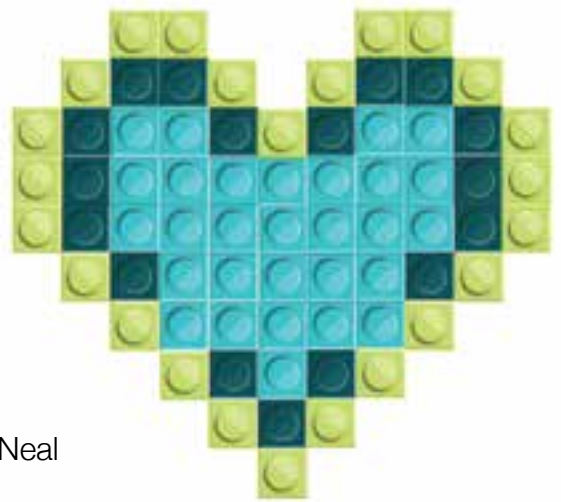
Jennifer Warren

OPERATIONS

Tiffany Burdette

TELLERS

Sheena Burdette
April Coulter
Kahla Hewitt
Bridget Kellems
Danielle Ketring
Jacquelin Kroft
Oma Miller
Danielle Philebaum
Amy Russ
Toni Wallace



IN GRATITUDE TO FRANK GULLEY FOR 38 YEARS OF SERVICE

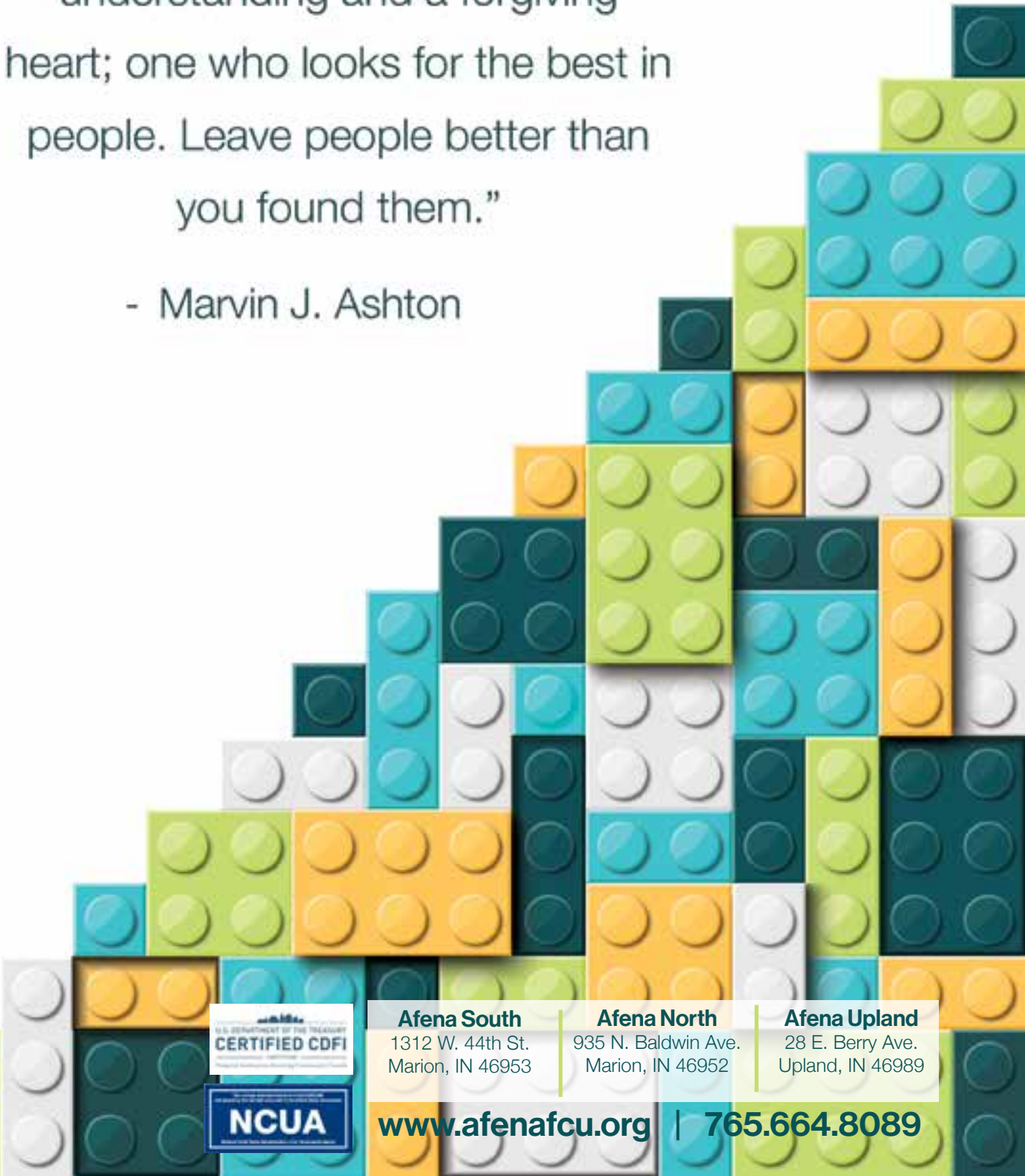


When Frank Gulley first joined the board of Afena Federal Credit Union in 1985, Ronald Regan was the President of the United States, the Berlin Wall was still intact, and no one had ever heard of the “world wide web.” Over the last 38 years, Frank has served in numerous leadership roles on Afena’s board, including as the Chairman, Vice Chairman, and Treasurer. A long-time advocate for volunteers within the credit union system, Frank

has been dedicated in his service to the credit union industry at the state and national levels as well. He was on the Indiana Credit Union League’s board of directors from 2007-2016 and was League Chairman from 2012-2013, as well as having served on several League committees. Nationally, Frank served on CUNA’s Volunteer Leadership Committee. He was inducted into the Indiana Credit Union Hall of Fame in 2017 and received a Leadership Achievement Award from the Indiana Credit Union League in 2021. Afena is tremendously grateful for Frank’s service both to the Credit Union and to the industry at large.

“Be the one who nurtures and builds. Be the one who has an understanding and a forgiving heart; one who looks for the best in people. Leave people better than you found them.”

- Marvin J. Ashton



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Afena North
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Marion, IN 46952

Afena Upland
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