



2022

Annual Report

Supervisory Report

The Supervisory Committee's job is to conduct monthly reviews that assist the work of the outside auditors and our state examiners. These reviews include surprise teller and vault cash counts, reviews of loan files, account cards, general ledger accounts, and several other internal audits.

The committee also reviews the written audit and examination reports. Any recommendations made by our auditors and examiners are used to assist credit union management and staff in remaining compliant to all laws, regulations and credit union policies.

In 2022, the credit union hired Financial Standards Group, Inc., a CPA firm who specializes in credit unions, to perform its annual audit and membership account verification. The same audit firm also performed the credit union's Bank Secrecy Act, ACH, OFAC and Safe Act compliance audits.

Prior year audited financial statements are available at the credit union for member examination and can be viewed upon request.

Additionally, we would like to thank retiring member of the Supervisory Committee, Judy Hand, for her years of dedication and support of the credit union. With Judy leaving there is an opening for another Committee Member. If there are any members who maybe interested in serving on the Supervisory Committee, please contact management.

Respectfully submitted: Rose Tacia – Chairperson & Linda Bruski – Committee Member

Treasurer's Report

In 2022 the credit union had loan growth of 12.58% and fair earnings of 0.39% Return on Assets. Total loans at the end of the year were over 85 million, more than 10 million higher than the previous year.

Our loan to share ratio increased from 59.16% to 64.76%. Net income for 2022 was \$555,880 up from \$523,221 in 2021. The percentage of delinquent loans in 2022 was 0.59%, which unfortunately had increased from 0.30% in 2021. Net charge offs have increased to 0.27%, up from 0.21% from the previous year.

Deposit growth stabilized in 2022 and along with the improved earnings led to an increase in the credit union's net worth from 9.08% in 2021 to 9.33% at year-end 2022.

Summarized year-end financial reports will made available on credit union's website.

Respectfully submitted: Randy Boboltz, Treasurer

Nominating Committee Report

This year's Nominating Committee included Chelsea McConnell, Randy Boboltz, and Patrick Richard.

There were five (5) seats open on the Board of Directors.

We received five (5) applications/nominations for the Board of Directors:

Jerry Peterson

Donald Bartosh

Robert Grochowski

Mollie Allen

David Witkowski

Per our current credit union Bylaws, there will be no nominations from the floor.

Therefore, with five (5) applications and five (5) seats open I would simply like to obtain a Motion from those present to instruct the Secretary to cast a unanimous ballot for the five (5) listed above to serve on the Board of Directors of Wolverine State Credit Union for the next three (3) years.

Respectfully submitted by the 2023 Nominating Committee

2022 at a Glance

TOTAL ASSET SIZE

\$143,771,360

NET WORTH/TOTAL ASSETS

9.33%

NET INCOME/AVG ASSETS

.39%

TOTAL LOANS/TOTAL SHARES

64.76%

NET OPERATING EXP/AVG ASSETS

2.99%

DELINQUENT LOANS/TOTAL LOANS

.59%

Financials

WOLVERINE STATE CREDIT UNION - 2022		WOLVERINE STATE CREDIT UNION - 2021		\$ Change
FINANCIAL SUMMARY		FINANCIAL SUMMARY		
ASSETS		ASSETS		
Cash & Other Deposits	20,908,268	Cash & Equivalents	30,648,341	(9,740,073)
TOTAL INVESTMENTS	34,122,903	TOTAL INVESTMENTS	30,965,663	3,157,240
Loans Held for Sale	-	Loans Held for Sale	76,500	(76,500)
TOTAL LOANS	85,224,536	TOTAL LOANS	75,699,743	9,524,793
(Allowance for Loan & Lease Losses or Allowance for Credit Losses on Loans & Leases)	(537,478)	(Allowance for Loan & Lease Losses or Allowance for Credit Losses on Loans & Leases)	(415,092)	(122,386)
Land And Building	1,199,265	Land And Building	1,265,747	(66,482)
Other Fixed Assets	195,982	Other Fixed Assets	266,401	(70,419)
NCUSIF Deposit	1,297,812	NCUSIF Deposit	1,182,376	115,436
All Other Assets	1,360,072	All Other Assets	1,865,494	(505,422)
TOTAL ASSETS	143,771,360	TOTAL ASSETS	141,555,173	2,216,187
LIABILITIES & CAPITAL		LIABILITIES & CAPITAL		
Accounts Payable, Accrued Interest on Borrowings, & Other Liabilities	1,133,976	Accounts Payable & Other Liabilities	823,021	310,955
Accrued Dividends & Interest Payable on Shares & Deposits	235	Notes & Interest Payable	213	22
Allowance for Credit Losses on Off-Balance Sheet Credit Exposures	-	Uninsured Secondary Capital and Subordinated Debt Included in Net Worth	-	
TOTAL SHARES & DEPOSITS	131,600,283	TOTAL SHARES & DEPOSITS	127,953,945	3,646,338
TOTAL LIABILITIES	132,734,494	TOTAL LIABILITIES	128,777,179	3,957,315
Undivided Earnings	11,010,166	Undivided Earnings	9,046,259	1,963,907
Other Reserves	26,700	Other Reserves	2,323,708	(2,297,008)
TOTAL EQUITY	11,036,866	TOTAL EQUITY	12,777,994	(1,741,128)
TOTAL LIABILITIES, SHARES, & EQUITY	143,771,360	TOTAL LIABILITIES, SHARES, & EQUITY	141,555,173	2,216,187
INCOME & EXPENSE		INCOME & EXPENSE		
Interest Income	4,715,836	Interest Income	3,975,410	740,426
Interest Expense	235,996	Interest Expense	250,492	-14,496
Net Interest Income	4,479,840	Net Interest Income	3,724,918	754,922
Provision for Loan/Lease Losses or Total Credit Loss Expense	341,541	Provision for Loan/Lease Losses or Total Credit Loss Expense*	117,300	224,241
Non-Interest Income	1,390,918	Cost of Funds*	250,492	
Non-Interest Expense	4,973,337	NET INCOME (LOSS) EXCLUDING STABILIZATION EXPENSE & NCUSIF PREMIUM	N/A	
NET INCOME (LOSS)	555,880	NET INCOME (LOSS)	523,221	32,659

KEY RATIOS	
CAPITAL ADEQUACY RATIOS	
Net Worth / Total Assets	9.33
Net Worth / PCA Opt. Total Assets (if applies)	9.33
Net Worth + ALLL or ACL / Total Assets + ALLL or ACL	9.67
Risk-Based Capital Ratio	N/A
GAAP Equity / Total Assets	7.68
Loss Coverage	9.60
ASSET QUALITY RATIOS	
Delinquent Loans / Total Loans	0.59
Delinquent Loans / Net Worth	3.73
Rolling 12 Month Net Charge Offs / Average Loans	0.27
Delinquent Loans + Net Charge-Offs / Average Loans	0.89
Other Non-Performing Assets / Total Assets	-
MANAGEMENT RATIOS	
Net Worth Growth	4.32
Share Growth	2.85
Loan Growth	12.58
Asset Growth	1.57
Investment Growth	(11.41)
Membership Growth	(1.90)
EARNINGS RATIOS	
Net Income / Average Assets (ROAA)	0.39
Net Income - Extraordinary Gains (Losses) / Average Assets	0.42
Non-Interest Expense / Average Assets	3.49
PLLL or Credit Loss Expense / Average Assets	0.24
ASSET / LIABILITY MANAGEMENT RATIOS	
Est. NEV Tool Post Shock Ratio	5.28
Est. NEV Tool Post Shock Sensitivity	(42.33)
Total Loans / Total Assets	59.28
Cash + Short-Term Investments / Assets	18.05

KEY RATIOS	
CAPITAL ADEQUACY RATIOS	
Net Worth / Total Assets	9.08
Net Worth / PCA Opt. Total Assets (if applies)	9.08
Net Worth + ALLL or ACL / Total Assets + ALLL or ACL	9.35
RBNW Requirement	5.53
GAAP Equity / Total Assets	9.03
Loss Coverage	9.72
ASSET QUALITY RATIOS	
Delinquent Loans / Total Loans	0.30
Delinquent Loans / Net Worth	1.76
Rolling 12 Month Net Charge Offs / Average Loans ²	0.21
Delinquent Loans + Net Charge-Offs / Average Loans	0.52
Other Non-Performing Assets / Total Assets	0.02
MANAGEMENT RATIOS	
Net Worth Growth	4.24
Share Growth	16.80
Loan Growth	12.54
Asset Growth	15.09
Investment Growth	20.06
Membership Growth	(1.64)
EARNINGS RATIOS	
Net Income / Average Assets (ROAA)	0.40
Net Income - Extraordinary Gains(Losses) / Average Assets	0.45
Operating Expenses / Average Assets	3.47
PLLL or Credit Loss Expense / Average Assets	0.09
ASSET / LIABILITY MANAGEMENT RATIOS	
Est. NEV Tool Post Shock Ratio	N/A
Est. NEV Tool Post Shock Sensitivity	N/A
Total Loans / Total Assets	53.48
Cash + Short-Term Investments / Assets	24.49

Financials

WOLVERINE STATE CREDIT UNION - 2022	
HISTORICAL RATIOS	
CAPITAL ADEQUACY	
Has the credit union adopted ASC topic 326 (CECL)?	No
Effective date of adoption of ASC Topic 326 - Financial Instruments - Credit Losses (CECL)	-
Net Worth/Total Assets excluding one time adjustment to undivided earnings for the adoption of ASC topic 326 (CECL)	9.33
Solvency Evaluation (Estimated)	108.39
Classified Assets (Estimated) / Net Worth	4.01
ASSET QUALITY	
Net Charge-Offs / Average Loans	0.27
Fair (Market) HTM Invest Value/Book Value HTM Invest.	-
Accum Unreal G/L On AFS/Cost Of AFS	(6.62)
Delinquent Loans / Assets	0.35
EARNINGS	
Gross Income/Average Assets	4.31
Yield on Average Loans	4.55
Yield on Average Investments	1.89
Fee & Other Op.Income / Avg. Assets	1.01
Cost of Funds / Avg. Assets	0.17
Net Margin / Avg. Assets	4.15
Net Interest Margin/Avg. Assets	3.14
Non-Interest Expense / Gross Income	80.87
Fixed Assets & Foreclosed & Repossessed Assets / Total Assets	0.98
Net Operating Exp. /Avg. Assets	2.99
ASSET / LIABILITY MANAGEMENT	
Net Long-Term Assets / Total Assets	41.77
Reg. Shares / Total Shares. & Borrowings	51.28
Total Loans / Total Shares	64.76
Total Shares, Dep. & Borrs / Earning Assets	95.65
Reg Shares + Share Drafts / Total Shares & Borrs	67.78
Borrowings / Total Shares & Net Worth	-
PRODUCTIVITY	
Members / Potential Members	7.04
Borrowers / Members	79.52
Members / Full-Time Empl.	225.25
Avg. Shares Per Member	13,747.00
Avg. Loan Balance	11,196.00
Salary And Benefits / Full-Time Empl.	64,245.00

WOLVERINE STATE CREDIT UNION - 2021	
HISTORICAL RATIOS	
CAPITAL ADEQUACY	
Has the credit union adopted ASC topic 326 (CECL)?	No
Effective date of adoption of ASC Topic 326 - Financial Instruments - Credit Losses (CECL)	-
Net Worth/Total Assets excluding one time adjustment to undivided earnings for the adoption of ASC topic 326 (CECL)	9.08
Solvency Evaluation (Estimated)	109.99
Classified Assets (Estimated) / Net Worth	3.23
ASSET QUALITY	
Net Charge-Offs / Average Loans	0.21
Fair (Market) HTM Invest Value/Book Value HTM Invest.	-
Accum Unreal G/L On AFS/Cost Of AFS	0.55
Delinquent Loans / Assets ³	0.16
EARNINGS	
Gross Income/Average Assets	4.20
Yield on Average Loans	4.48
Yield on Average Investments	1.38
Fee & Other Op.Income / Avg. Assets	1.19
Cost of Funds / Avg. Assets	0.19
Net Margin / Avg. Assets	4.01
Net Interest Margin/Avg. Assets	2.82
Operating Exp./Gross Income	82.67
Fixed Assets & Foreclosed & Repossessed Assets / Total Assets	1.10
Net Operating Exp. /Avg. Assets	2.81
ASSET / LIABILITY MANAGEMENT	
Net Long-Term Assets / Total Assets	37.70
Reg. Shares / Total Shares. & Borrowings	50.93
Total Loans / Total Shares	59.16
Total Shares, Dep. & Borrs / Earning Assets	94.92
Reg Shares + Share Drafts / Total Shares & Borrs	67.41
Borrowings / Total Shares & Net Worth	-
PRODUCTIVITY	
Members / Potential Members	7.18
Borrowers / Members	78.98
Members / Full-Time Empl.	224.32
Avg. Shares Per Member	13,113.00
Avg. Loan Balance	9,822.00
Salary And Benefits / Full-Time Empl.	55,433.00