



ANNUAL REPORT

2024



432.688.8400
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Agenda

- I. Call Meeting to Order
- II. Ascertain That a Quorum is Present
- III. Approval of May 19, 2023 Annual Meeting Minutes
- IV. Chairman & President's Report
- V. Financial Statements
- VI. Audit Committee Report
- VII. Nominating Committee Report
- VIII. Adjournment

Board of Directors, Audit Committee, & Senior Management

Board of Directors

- Teresa Clingman-DeShaw, Chair – Term Expires 2024
- Charlie Harris, Director – Term Expires 2026
- Charlotte Dunlap, Director – Term Expires 2025
- Juan Luna, Director – Term Expires 2025
- Mitzi Baker, Director – Term Expires 2025
- Steve Shockley, Director – Term Expires 2024
- Tom Finnie, Director – Term Expires 2026
- Jonathan Boyd, Director – Term Expires 2024
- Guadalupe Ramirez, Director - Term Expires 2026

Audit Committee

- Mitzi Baker, Chairman
- Tom Finnie
- Donna Neal
- Marcus Davis
- Lezlie Veach
- Angela Caswell
- Morgan Few

Executive Staff

- Chief Executive Officer, Donna Neal
- Chief Financial Officer, Marcus Davis
- Chief Lending Officer, Lezlie Veach
- Chief Operating Officer, Genene DeLeon
- SVP Information Technology, Roger Mellor

Vice Presidents

- VP Human Resources, Denise Hernandez
- VP Branch Operations, Angela Caswell
- AVP Consumer Lending, Kirby Boyd
- AVP Accounting & Risk, Morgan Few
- AVP Operations Support, Toni Mabry
- AVP Marketing, Jaclynn Torres

Annual Meeting Minutes

May 19, 2023

The MCCU 71st Annual Meeting was called to order at 2:02 p.m. by Teresa Clingman-DeShaw, Board of Directors Chair. With a requirement of 25 members being present for a quorum, it was determined that a quorum was present.

All present were provided with a packet containing the minutes from the Annual Meeting held on May 27, 2022, the Chairman and President's Report, the M.C.C.U. Balance Sheet ending December 2022, the M.C.C.U. Income Statement ending December 2022, the Audit Committee Report, the Nominating Committee Report, a listing of our products and services offered at the credit union, and a listing of our 2023 M.C.C.U. Scholarship recipients and their accomplishments and plans for the future.

A motion was made by Marcus Davis to approve the minutes of the Annual Meeting held on May 27, 2022. Motion was seconded by Lezlie Veach and passed with no exceptions.

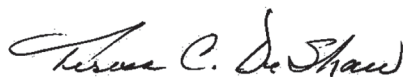
The Chairman & Presidents Report was presented by Teresa Clingman-DeShaw, Board of Directors Chair, along with presenting the Financial Statements, and the Audit Committee Report. Motion was made by Morgan Monroe to accept these 2 reports as presented and seconded by Genene Deleon and passed with no exceptions.

The Nominating Committee Report was presented by Teresa Clingman-DeShaw, Board of Directors Chair. Motion was made by Mark Williams to accept the Nominating Committee Report as presented and seconded by Dan Hendrix and passed with no exceptions.

Mark Williams, Chief Financial Officer, presented the 2023 M.C.C.U. Scholarship recipients to those in attendance stating this was our 16th year to present scholarships with over \$220,000 being given over the years. The 2023 recipients are:

1. Amasyea Rollie
2. Kevin Munson
3. Destiny Freels
4. Hilarie Sanchez
5. Samuel Weaks
6. Mikayla Deller
7. Jaden Evans
8. Selia Jimenez

With no further business, the M.C.C.U. Annual Meeting was adjourned at 2:10 p.m.



Teresa Clingman-DeShaw
Board Chair



Marcus Davis
VP Accounting & Compliance

Chairman and President's Report

Year End results for 2023 were incredibly positive and reflect the significant effort from Management and staff. We ended the year with membership of 41,464 compared to 40,801 at year end 2022.

We are extremely pleased with the 2023-year end results. They are a direct result of the conservative strategies and business plan developed and implemented by Executive staff.

Below are some of our other important financial numbers:

	12/31/2023	12/31/2022	\$\$ Change	% Change
Loans	\$403,075,040	\$393,807,799	\$9,267,241	2%
Assets	\$493,711,584	\$470,769,056	\$22,942,528	5%
Deposits	\$438,626,734	\$416,392,672	\$22,234,062	5%
Charge Offs	\$2,918,286	\$1,952,058	\$966,228	49%
Members	\$41,464	\$40,810	\$654	2%

It is worth noting that we are coming off a very challenging year. During the 2022 – 2023 cycle, the Fed increased rates 11 times in an effort to slow inflation. We ended 2023 with Interest rates at the highest we have seen in more than 20 years. As a result, we have seen more and more of our members struggle with their debts and we have seen fewer and fewer members qualify for new loans. We have worked to develop strategies to help our members while also maintaining our current loan balances and supplementing our loan growth by purchasing loans. It's been a trying year for all of us as consumers. But amidst all these challenges, we have some incredible results.

We ended the year with Net Income of \$3 million dollars. This is the second highest income recorded in the entire 71 years we have been in existence. The highest income record, you will recall was last year at \$5.9 million. Our ROA at year end is .68%. Our assets as of year-end are \$493 million. We expect to hit \$500 million in assets in 2024. The success of the business strategies and improvements we've made over the past few years are clearly visible with these incredible results.

We received the Midland Reporter Telegram award for Best Credit Union and Best Loan Company. We were voted Runner up for Favorite Credit Union by Readers Choice Award for Best in Allen.

We expect 2024 to bring its own unique set of challenges with uncertainties in the economy, the interest rate environment, and the housing market. We have a quality and formidable team with strong analytic and management capabilities. We will remain strong financially with an excess of capital and the ability to continue to grow and be a valuable resource to our members and the communities we serve.

Thank you for your trust and confidence in us.

Respectfully submitted,



Donna K. Neal
President/CEO

Respectfully submitted,



Teresa Clingman-DeShaw
Board Chair

Balance Sheet

	Dec-23	Dec-22	Variance	Variance %
Assets				
Loans	398,248,896.43	392,037,958.26	6,210,938.17	1.58%
Accounts Receivable	1,800,973.71	1,751,439.80	49,533.91	2.83%
Cash on Hand	7,010,961.34	7,724,782.01	-713,820.67	-9.24%
Investments	56,650,168.96	35,567,907.82	21,082,261.14	59.27%
Prepaid Expenses	370,488.44	487,271.34	-116,782.90	-23.97%
Land & Buildings	11,656,869.99	11,894,286.82	-237,416.83	-2.00%
Other Fixed Assets	3,414,539.97	3,930,049.95	-515,509.98	-13.12%
Accrued Income	1,494,245.72	1,174,840.67	319,405.05	27.19%
All Other Assets	13,064,439.62	16,200,519.48	-3,136,079.86	-19.36%
Total Assets	493,711,584.18	470,769,056.15	22,942,528.03	4.87%
Liabilities				
Accounts Payable	3,240,989.24	2,709,197.60	531,791.64	19.63%
Borrowings	0.00	0.00	0.00	0.00%
Other Liabilities	1,266,057.24	1,441,758.85	-175,701.61	-12.19%
Accrued Expenses	2,027,842.37	1,999,894.30	27,948.07	1.40%
Total Liabilities	6,534,888.85	6,150,850.75	384,038.10	6.24%
Regular Shares	181,881,406.66	201,564,638.37	-19,683,231.71	-9.77%
Checking Shares	133,606,837.02	141,774,424.64	-8,167,587.62	-5.76%
Regular Certificates	98,357,178.27	50,604,722.44	47,752,455.83	94.36%
IRA Shares & Certificates	11,392,484.45	12,018,318.73	-625,834.28	-5.21%
Non Member Certificates	13,388,827.45	10,430,567.61	2,958,259.84	28.36%
Total Shares	438,626,733.85	416,392,671.79	22,234,062.06	5.34%
Regular Reserves	2,441,367.13	2,441,367.13	0.00	0.00%
Undivided Earnings	47,827,175.01	47,791,477.51	35,697.50	0.07%
Other Comprehensive Income	0.00	0.00	0.00	0.00%
Unrealized G/L Income	-1,718,580.66	-2,007,311.03	288,730.37	-14.38%
Total Equity	48,549,961.48	48,225,533.61	324,427.87	0.67%
Total Liabilities & Equity	493,711,584.18	470,769,056.15	22,942,528.03	4.87%
Total Membership				
	41,464	40,810	654	1.60%

Income Statement

	Dec-23	Dec-22	Variance	Variance %
Income				
Income on Loans	20,944,395.44	19,184,079.86	1,760,315.58	9.18%
Income on Investments	2,825,456.62	461,999.71	2,363,456.91	511.57%
Fee Income	10,922,895.12	11,035,381.64	-112,486.52	-1.02%
Misc. Operating Income	275,761.92	954,264.04	-678,502.12	-71.10%
Misc. Non-Operating Income	130,206.63	229,124.35	-98,917.72	0.00%
Total Income	35,098,715.73	31,864,849.60	3,233,866.13	10.15%
Expenses				
Compensation & Benefits	9,921,150.27	8,937,575.34	983,574.93	11.00%
Travel & Training	139,822.89	94,918.71	44,904.18	47.31%
Association Dues	68,874.80	69,143.82	-269.02	-0.39%
Office Occupancy	1,231,075.52	1,225,557.88	5,517.64	0.45%
Office Ops/Prof.Svcs	7,912,443.92	8,217,131.52	-304,687.60	-3.71%
Advertising & Promotions	267,205.53	218,119.29	49,086.24	22.50%
Loan Servicing	4,993,847.67	5,521,923.40	-528,075.73	-9.56%
Provision for Credit Losses	2,746,124.90	733,471.48	2,012,653.42	274.40%
Regulatory Exam Expense	40,926.67	39,912.33	1,014.34	2.54%
Cash (Over) and Short	-14,173.65	1,556.08	-15,729.73	-1010.86%
Interest on Borrowed Funds	1,496.00	152,733.50	-151,237.50	-99.02%
Dividend Expense	4,525,759.49	1,085,706.54	3,440,052.95	316.85%
Operating (Gain) Loss	0.00	-314,279.13	314,279.13	-100.00%
Total Expenses	31,834,554.01	25,983,470.76	5,851,083.25	22.52%
NET INCOME	3,264,161.72	5,881,378.84	-2,617,217.12	-44.50%

Audit Committee Report

The Audit Committee is appointed by the Board of Directors from among the members of the Credit Union. This year's Committee members are:

- Mitzi Baker – Chairman
- Tom Finnie
- Donna Neal
- Marcus Davis
- Lezlie Veach
- Angela Caswell
- Morgan Few

The Audit Committee is responsible for:

- Ensuring the financial condition of the Credit Union is accurately and fairly represented in its financial statements.
- Ensuring management practices and procedures are sufficient to safeguard members' assets.
- Making or commissioning audits of operations and verifying members' accounts.
- Assisting with legal and other issues related to member accounts.
- Supporting the Board of Directors and MCCU staff in routine and special requirements.

To assist the Committee in these duties:

- External audit firms are retained to perform the annual Opinion Audit.
- Periodic reviews by the Texas Credit Union Department (TCUD) and National Credit Union Administration (NCUA).
- The Credit Union retains an internal audit team, resulting in numerous audits across various MCCU functional areas throughout the year.

All external audits completed by outside auditors, and the Texas Credit Union Department resulted in no material findings.

Respectfully submitted,



Mitzi Baker
Chairman, Audit Committee

Nominating Committee Report

The Chairman for the Nominating Committee for 2024 is Charlie Harris. There are two additional Committee Members: Mitzi Baker, and Charlotte Dunlap. The 2024 Slate of Board of Directors for the three expiring terms have been selected and the nominees are:

Teresa Clingman DeShaw

Teresa Clingman DeShaw was appointed District Attorney of Midland County in August 2007 after serving Midland as a prosecutor for over 20 years. Teresa retired from elected public office in December 2016. She received her B.A. in Speech Communications/Radio and Television Broadcasting from the University of Oklahoma. She attended law school obtaining her J.D. from St. Mary's University in San Antonio, Texas. She has served on the Boards of many Midland organizations including the Midland Rape Crisis Center and Children's Advocacy Center, Midland Battered Women's Center (Safe Place), Junior Women's Association, Midland Employees Federal Credit Union, and Grace Lutheran Church. She has taught at Midland College as an adjunct professor and has been a trainer for the Children's Advocacy Center of Texas since 2006. Teresa has served on the Board of Directors for My Community CU since April 2010.

Jonathan Boyd

Jonathan Boyd is the Fire Chief of the City of Allen Fire Department. With 118 employees and a \$21.2 million annual budget, the Allen Fire Department provides fire protection services, emergency medical services, public safety education, life safety code enforcement, and specialty rescue services to Allen's 125,000 residents. Since joining the City of Allen Fire Department as a firefighter in 1996, Boyd has held key positions including Driver/Engineer, Captain, Division Chief and Assistant Chief of Operations. Following a national search, Boyd was selected as Allen's third fire chief on August 4, 2018.

Boyd graduated from the fire academy at Collin College in 1993 as Valedictorian of Fire Academy Class #3. Following his early training as a firefighter and paramedic, he graduated summa cum laude with a Bachelor of Science in Public Affairs from the University of Texas at Dallas (UTD) in 2011 and received his Master of Public Affairs from UTD in 2013. Boyd also graduated from the Executive Fire Officer Program of the National Fire Academy in 2017.

Steve Shockley

Steve Shockley has served on the My Community CU Board of Directors for over 36 years. He currently serves on the ALCO (Asset Liability Committee). Steve has also been a past Chairman of the Board. Originally from Missouri, Steve currently lives in Houston, Texas with his spouse, Peggy. Their son, Keith, also lives in Houston while their other son, Ben, lives in Austin. Their daughter, Jamie, her husband, Pat, and their grandchildren, Lily, and Kyle, reside in St. Louis. Steve is retired from a 28-year career in the oil industry. He has a Bachelor of Science degree in Chemical Engineering from the University of Missouri at Rolla.

Nominations will not be taken from the floor.

If you are interested in submitting an additional name for consideration, you must (1) request a formal petition (2) collect signatures from 250 eligible voters and (3) submit the petition request along with signatures to My Community Credit Union prior to April 10, 2024. For any additional information or to receive a petition, please contact the Nominating Committee at 432-687- 8470.

Products and Services Offered

Accounts Offered

Kasasa Share Draft Account	Money Market Account	Christmas Club Account
Regular Share Draft Account	Business Account	IRA Account
Prime Time Share Draft Account	Kasasa Savings Account	Certificate of Deposit Account
Fresh Start Share Draft Account	Regular Share Account	

Lending Products Offered

Personal Loan	Auto Loan	2 nd Lien Home Improvement Loan
Consolidation Loan	Title Loan	GAP Protection
Student Loan	Recreational Vehicle Loan	Mechanical Breakdown Protection
Share/CD Secured Loan	Credit Cards (including Business)	Payment Protection
Member Relief Loan	Mortgage Loans	

Other Service Offered

Online Banking/Mobile Banking	Night Deposit	ACH Transactions
My 24/7 Automated Phone Service	Bill Pay	Wire Transfers
Online Account Opening	ATMs with Deposit Feature	FedNow
Online Loan Application	Identity Theft Protections	Medallion Stamp Guarantee
EMV Chip Debit/Credit Cards	Saturday Hours	Notary Services
Mobile Wallet (Apple & Android)	Coin Counter Machines	Investment Services
Mobile Deposit	Money Orders/Cashier Checks	High School Financial Education