



2025

ANNUAL REPORT



432.688.8400

www.mccu.coop

Agenda

- I. Call Meeting to Order
- II. Ascertain That a Quorum is Present
- III. Approval of May 10, 2024 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 2027
- 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 2027
- Tom Finnie, Director – Term Expires 2026
- Jonathan Boyd, Director – Term Expires 2027
- Guadalupe Ramirez, Director - Term Expires 2026

Audit Committee

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

Executive Staff

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

Vice Presidents

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

Annual Meeting Minutes

May 10, 2024

Annual Meeting Attendees

The MCCU 72nd Annual Meeting was called to order at 2:00 p.m. by Marcus Davis, CFO of My Community Credit Union. It was determined that a quorum was present (at least 25 Members).

May 19, 2023, Annual Meeting Minutes

The minutes for the Annual Meeting held on May 19, 2023, were reviewed.

Following discussion, it was:

Moved: Morgan Few

Seconded: Kirby Boyd

To approve the minutes of the May 19, 2023, Annual Meeting as presented.

The motion passed unanimously.

Report Review

The Chairman & Presidents Report was presented by Marcus Davis, CFO of My Community Credit Union, along with presenting the Financial Statements, and the Audit Committee Report.

Nominating Committee Report

The Nominating Committee Report was presented by Marcus Davis, CFO of My Community Credit Union.

Following the presentation, it was:

Moved: Angela Caswell

Seconded: Kirby Boyd

To accept the Nominating Committee Report as presented.

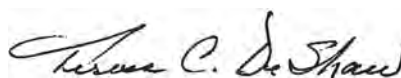
The motion passed unanimously.

Adjournment

The Annual Meeting was adjourned at 2:05 p.m.



Marcus Davis
CFO, Presiding Officer



Teresa Clingman-DeShaw
Board Chair

Chairman and President's Report

Looking back on 2024, it was a very challenging year. We saw communities and our members struggle with expenses related to everyday cost of living like we have not seen in many years. Our staff worked tirelessly to develop strategies, programs, and efficiencies to combat the economy, provide helpful services to our members during this difficult time, and ensure the success of My Community Credit Union. It has been a trying year for all of us as consumers. But amidst all these challenges, we ended the year with some incredible results.

We concluded the year with a net income of just over \$2 million dollars. Additionally, for the first time in our Credit Union's history, we crossed the \$500 million asset size threshold as of year-end. This achievement underscores our commitment to maintaining a quality, stable financial resource for our communities. Our success is a testament to the dedication and talent of our exceptional team, the strategic guidance and support from our Board of Directors, and the leadership of our remarkable group of executives.

Below are some of our other important financial numbers:

	2024	2023	Change	% Change
Loans	\$414,395,120	\$403,075,040	\$11,320,080	2.81%
Assets	\$500,003,221	\$493,711,584	\$6,291,637	1.27%
Deposits	\$443,185,738	\$438,626,734	\$4,559,004	1.04%
Net Charge Offs	\$3,723,904.24	\$2,918,286	\$805,618.24	27.61%
Members	42,298	41,464	834	2.01%

In 2024, we created new processes, developed efficiencies, and implemented new technology and strategies, all in an effort to continue to maintain a quality, stable financial resource for our communities. We opened our first in-school branch at Lovejoy High School in Farview, Texas. We were awarded the Midland Telegram Readers' Choice Awards for Best of the Best for Services, Gold for Best Credit Union, Gold for Best Bank, and Gold for Best Loans. Additionally, we won Runner up for Best of the Basin Awards for Best Credit Union. Once again, our staff contributed hundreds of hours to quality charitable organizations in all our areas of membership.

Looking ahead, we anticipate 2025 will bring its own unique set of challenges, with uncertainties in the economy, interest rate environment, and housing market. However, we are confident in the strength and expertise of our exceptional team. 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-24	Dec-23	Variance	Variance %
Assets				
Loans & Leases	414,395,120.05	403,075,040.43	11,320,079.62	2.81%
Allowance for Credit Loss	-5,824,566.00	-4,826,144.00	-998,422.00	20.69%
Cash & Investments	58,021,624.60	63,661,130.30	-5,639,505.70	-8.86%
Fixed Assets	15,044,021.51	15,071,409.96	-27,388.45	-0.18%
Other Assets	18,367,020.49	16,730,147.49	1,636,873.00	9.78%
Total Assets	<u>500,003,220.65</u>	<u>493,711,584.18</u>	<u>6,291,636.47</u>	<u>1.27%</u>
Liabilities				
Accounts Payable	2,426,437.52	3,240,989.24	-814,551.72	-25.13%
Accrued Expenses	2,444,455.08	2,028,290.86	416,164.22	20.52%
Other Liabilities	1,088,880.75	1,265,608.75	-176,728.00	-13.96%
Borrowings	0	0	0	0.00%
Total Liabilities	<u>5,959,773.35</u>	<u>6,534,888.85</u>	<u>-575,115.50</u>	<u>-8.80%</u>
Share Drafts	126,962,229.16	115,316,628.18	11,645,600.98	10.10%
Regular Shares	185,289,859.02	181,881,406.66	3,408,452.36	1.87%
Money Market Checking	16,284,995.91	18,290,208.84	-2,005,212.93	-10.96%
Regular Certificates	87,860,399.34	98,357,178.27	-10,496,778.93	-10.67%
IRA Shares & Certificates	11,258,052.41	11,392,484.45	-134,432.04	-1.18%
Non Member Certificates	15,530,201.84	13,388,827.45	2,141,374.39	15.99%
Total Shares	<u>443,185,737.68</u>	<u>438,626,733.85</u>	<u>4,559,003.83</u>	<u>1.04%</u>
Undivided Earnings	52,482,443.30	50,268,542.14	2,213,901.16	4.40%
Other Comprehensive Income	0	0	0	0.00%
Unrealized G/L Income	-1,624,733.68	-1,718,580.66	93,846.98	-5.46%
Total Equity	<u>50,857,709.62</u>	<u>48,549,961.48</u>	<u>2,307,748.14</u>	<u>4.75%</u>
Total Liabilities & Equity	<u>500,003,220.65</u>	<u>493,711,584.18</u>	<u>6,291,636.47</u>	<u>1.27%</u>
Total Membership				
	41,464	40,810	654	1.60%

Income Statement

	Dec-24	Dec-23	Variance	Variance %
Income				
Income on Loans	27,260,698.29	20,944,395.44	6,316,302.85	30.16%
Income on Investments	2,492,678.83	2,825,456.62	(332,777.79)	-11.78%
Fee Income	10,717,327.21	10,922,895.12	(205,567.91)	-1.88%
Misc. Operating Income	227,684.93	275,761.92	(48,076.99)	-17.43%
Misc. Non-Operating Income	144,969.00	130,206.63	14,762.37	11.34%
Total Income	40,843,358.26	35,098,715.73	5,744,642.53	16.37%
Expenses				
Compensation & Benefits	10,346,343.57	9,921,150.27	425,193.30	4.29%
Travel & Training	123,460.50	139,822.89	(16,362.39)	-11.70%
Office Occupancy	1,379,600.97	1,231,075.52	148,525.45	12.06%
Office Ops/Prof.Svcs	9,753,148.90	7,967,145.07	1,786,003.83	22.42%
Advertising & Promotions	245,507.03	267,205.53	(21,698.50)	-8.12%
Loan Servicing	6,340,604.86	4,993,847.67	1,346,757.19	26.97%
Provision for Credit Losses	4,722,326.24	2,746,124.90	1,976,201.34	71.96%
Regulatory Exam Expense	36,403.65	40,926.67	(4,523.02)	-11.05%
Interest on Borrowed Funds	700.08	1,496.00	(795.92)	-53.20%
Dividend Expense	5,681,353.30	4,525,759.49	1,155,593.81	25.53%
Operating (Gain) Loss	8.00	0.00	8.00	100.00%
Total Expenses	38,629,457.10	31,834,554.01	6,794,903.09	21.34%
NET INCOME	2,213,901.16	3,264,161.72	(1,050,260.56)	-32.18%

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 Norman
- 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 2025 is Guadalupe (Chito Ramirez). There are two additional Committee Members, Teresa DeShaw, and Tom Finnie. The 2025 Slate of Board of Directors for the three expiring terms have been selected and the nominees are:

Juan Luna

Juan Luna has served on the My Community CU Board of Directors since May 2016. Juan currently lives in Odessa, Texas with his spouse, Nancy, and their three sons, Jacob, Jaime, and Joshua. Juan has been a Farmers Insurance Agent since 1986. Also, Juan was born in Odessa, but raised in Mexico where he attended The University of Guadalajara where he graduated as Civil Engineer in 1977.

Mitzi Baker

After serving Midland County since 1989 in another capacity as Administrative Assistant, Mitzi was elected County Treasurer in November of 2004. Since being in office, she has developed an investment strategy managing a portfolio of more than \$150,000,000 dollars. She initiates the bid process for her depository contract every 4 years and analyses the bids for presentation to Commissioners Court. She developed a new pay increase system, the first of its kind in Midland County, based on years of service, and initiated a time clock system. As Administrator of their self-funded medical plan, Mitzi spearheaded the development and opening of a county health clinic that is completely free to all County employees and their dependents, hosts an annual benefit fair for the employees, and started a wellness program for the first time in Midland County. Along with her County Judge and Auditor, Mitzi helped to formulate the Midland County budget each fiscal year, providing all the information for personnel, salaries, benefits, and investment income for the County. Mitzi has been a member of the County Investment Academy through T.A.C. since 2004. She has served on many committees for The County Treasurer's Association of Texas, and from 2011-2014 was the Chairman of the Audit Committee for C.T.A.T. Mitzi was named by C.T.A.T. as The Texas Outstanding County Treasurer in August of 2014. Mitzi was President of C.T.A.T. after serving as Treasurer, Secretary, and 1st Vice President and retired on 12/31/22 after over 33 years of service. Mitzi has been a member of My Community CU since 2013 and has served on the My Community CU's Supervisory/Audit Committee since 2015, becoming the Chair in 2019. Mitzi has served as an Advisory Board Member on the My Community CU Board of Directors since 2017 and is now serving as a My Community CU's Board Member since August 2020.

Charlotte Dunlap

Charlotte Dunlap received her BBA from Stephen F. Austin State University. She began a career with Atlantic Richfield Oil and Gas in 1974 and retired with Southern Union Gas Services in 2007. Charlotte's career in the gas industry ranged from gas revenue accounting, gas regulations, sales and purchase contract administration, and plant and field construction contract administration. Charlotte arrived in Midland in 1981 and made it her home. After living in Midland for over 35 years, Charlotte now resides in Ruidoso, New Mexico. Charlotte has served on the Board of My Community CU since September 2012. Prior to serving on the Board, Charlotte served 3 years on the Supervisory Committee

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 9, 2025. 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	Notary Services
EMV Chip Debit/Credit Cards	Saturday Hours	Investment Services
Mobile Wallet (Apple & Android)	Coin Counter Machines	High School Financial Education
Mobile Deposit	Money Orders/Cashier Checks	